SERFF Tracking Number:
 DCTR-127278060
 State:
 California

 Filing Company:
 The Doctors Company, an Interinsurance
 State Tracking Number:
 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

# Filing at a Glance

Company: The Doctors Company, an Interinsurance Exchange

Product Name: Physicians, Surgeons and SERFF Tr Num: DCTR-127278060 State: California

Ancillary Healthcare Providers Professional

Liability Insurance Program

TOI: 11.0 Medical Malpractice - Claims SERFF Status: Assigned State Tr Num: 11-5660

Made/Occurrence

Sub-TOI: 11.0000 Med Mal Sub-TOI Co Tr Num: 2011-CA-02 State Status: Accepted

Combinations

Filing Type: Rate/Rule Reviewer(s): Geff Greenfield

Author: Michael O'Donohue Disposition Date:
Date Submitted: 06/30/2011 Disposition Status:

Effective Date Requested (New): 01/01/2012 Effective Date (New): Effective Date Requested (Renewal): 01/01/2012 Effective Date (Renewal):

State Filing Description:

## **General Information**

Project Name: California Rate and Rule Revision Status of Filing in Domicile: Authorized

Project Number: Domicile Status Comments:

Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:

Filing Status Changed: 07/01/2011

State Status Changed: 07/11/2011 Deemer Date: 09/13/2011

Created By: Michael O'Donohue Submitted By: Michael O'Donohue

Corresponding Filing Tracking Number:

Filing Description:

THE DOCTORS COMPANY, AN INTERINSURANCE EXCHANGE

PHYSICIANS. SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS PROFESSIONAL LIABILITY INSURANCE

**PROGRAM** 

RATE AND RULE REVISION

In accordance with the February 8, 2011 letter from Mr. Joel Laucher, we are enclosing a rate and rule revision for our

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program. Based on our current book of business, the overall rate level impact of this revision for all specialties and territories combined is -7.3%.

This revision consists of the following changes:

- 1) various changes have been made to manual rates for all specialties and territories (See Section 3-Pages CA-R-1 and CA-R-2 of Countrywide Rules and Rates Manual)
- 2) claims-free discount rule has been revised in its entirety (See Section 2-Pages CA-E-2 and CA-E-3 of Countrywide Rules and Rates Manual)
- 3) prep ("new to practice") discount rule has been revised (See Section 2-Page CA-E-3 of Countrywide Rules and Rates Manual)
- 4) part time/quarter time discount rule has been revised (See Section 2-Page CA-E-3 of Countrywide Rules and Rates Manual)
- 5) Points Schedule for imposed surcharges has been revised (See Appendix-California General Rules Exception Pages)

The California General Rules Exception Pages, California Rate Pages and Appendix-California General Rules Exception Pages included in this revision replace all previously filed pages. For your convenience, we have enclosed a copy of the revised California General Rules Exception Pages and Appendix-California General Rules Exception Pages with the changes clearly marked.

In accordance with your requirements, we have also enclosed the following:

- 1) One Prior Approval Rate Application in both Excel and PDF formats (Reflecting Request for Variances 1B and 3)
- 2) Three Additional Prior Approval Rate Templates in both Excel and PDF formats (Reflecting application of no Variances, Variance 1B only and Variance 3 only)
- 3) Actuarial Memoradum (including required Exhibts 1-19)
- 4) Exhibit 20-Rules Changes

# **Company and Contact**

#### **Filing Contact Information**

Michael O'Donohue, Vice President-Regulatory modonohue@thedoctors.com Compliance

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

185 Greenwood Road 800-421-2368 [Phone] 1318 [Ext]

P. O. Box 2900 707-226-0162 [FAX]

Napa, CA 94558

**Filing Company Information** 

The Doctors Company, an Interinsurance CoCode: 34495 State of Domicile: California

Exchange

185 Greenwood Road Group Code: 831 Company Type: Property &

Casualty

P.O. Box 2900 Group Name: Doctors Company State ID Number:

Insurance

Napa, CA 94558 FEIN Number: 95-3014772

(800) 421-2368 ext. 1318[Phone]

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# **Filing Fees**

Fee Required? No Retaliatory? No

Fee Explanation:

Per Company: No

COMPANY AMOUNT DATE PROCESSED TRANSACTION #

The Doctors Company, an Interinsurance \$0.00

Exchange

# **State Specific**

Variance Requested? (Yes/No): Yes

SERFF Tracking Number: DCTR-127278060 State: California

Filing Company: The Doctors Company, an Interinsurance Exchange State Tracking Number: 11-5660

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Made/Occurrence Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

## **Rate Information**

Rate data applies to filing.

Filing Method: Prior Approval

Rate Change Type: Decrease

Overall Percentage of Last Rate Revision: -20.500%

Effective Date of Last Rate Revision: 01/01/2009

Filing Method of Last Filing:

Prior Approval

## **Company Rate Information**

Company Name:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	# of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where required):	Minimum % Change (where required):
The Doctors Company, an Interinsurance	-7.300%	-7.300%	\$-15,380,533	20,131	\$210,692,235	28.500%	-22.000%

Exchange

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

# Rate/Rule Schedule

Schedule Item Status:	Exhibit Name:	Rule # or Page Rate Action #:	Previous State Filing Number:	g Attachments
	California General Rules Exception Pages	Pages CA-E-1 to Replacement CA-E-4 (1/12)	DCTR-126990700 (11-1563)	California General Rules Exception Pages (1-12).pdf California General Rules Exception Pages (1-12)- changes.pdf
	California Rate Pages	Pages CA-R-1 toReplacement CA-R-3 (1-12)	DCTR-126990700 (11-1563)	California Rate Pages (1-12).pdf
	Appendix-California General Rules Exception Pages	CA-A-1 to CA-A- Replacement 9 (1-12)	DCTR-126990700 (11-1563)	Appendix-California General Rules Exception Pages (1- 12).pdf Appendix-California General Rules Exception Pages (1-

12)-changes.pdf

# THE DOCTORS COMPANY PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS

### **SECTION 2-CALIFORNIA GENERAL RULES EXCEPTION PAGES**

## I. GENERAL GUIDELINES

Rule F. Cancellation/Nonrenewal is deleted and replaced with the following:

## F. Cancellation/Nonrenewal

The policy can be cancelled by written request of the First Named Insured and stating a prospective effective date of cancellation. Any unearned premium will be refunded, less a 10% short rate fee.

The Company may cancel or nonrenew a policy in accordance with state requirements. A pro-rata refund is made of any unearned premium.

## **II. RATING GUIDELINES**

Rule B. Sizable Risk Rating is deleted.

Rule C. Rating Factors-1. Manual Base Rate is deleted and replaced with the following:

### 1. Manual Base Rate

The manual base rate is the 1M/3M claims-made mature and occurrence rate based on medical specialty. See State Rate Pages for applicable manual base rates.

#### **III. ADDITIONAL COVERAGES**

Rule F. Punitive Damages Coverage is deleted.

The following additional rules are added:

#### **Optional Personal Excess Coverage**

The Company offers to insureds or former insureds of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 personal excess coverage on an occurrence basis for protection over and above required minimum limits of personal liability coverage provided in personal lines policies the insured obtains through other insurers. The premium is \$340.

To qualify for this Optional Personal Excess Coverage, an insured must represent that he or she maintains certain other underlying minimum insurance coverage and must never have had a similar personal excess coverage or policy cancelled, declined, or non-renewed.

## **General Liability Coverage**

The Company offers to insureds or former insured groups of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 general liability coverage on an occurrence basis. The premium is 4% of the professional liability premium, subject to a minimum charge of \$1,000.

#### **Limited Premises Liability Coverage**

The Company offers to insureds or former insured groups of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 limited premises liability coverage on a claims-made basis. The premium is \$400. If the professional liability policy is written on an occurrence basis, then the premises liability coverage is also written on an occurrence basis.

## **IV. DISCOUNTS/SURCHARGES**

Rule A. Claims-Free Discount is deleted and replaced with the following:

## A. <u>Claims-Free Discount</u>

If the Named Insured has been insured with the Company for at least three full years immediately preceding the effective date of the policy, a claims-free discount shall be applied based on the Named Insured's current open claim reserves and cumulative closed claim payments for the most recent three years as follows:

RESERVES	PAID INDEMNITY	PAID ALAE	CLAIMS-FREE DISCOUNT
\$0	\$0	\$0	25%
\$0	\$0	\$1 to \$20,000	20%
\$1 to \$50,000	\$0	\$0	20%
\$0	\$0	\$20,001 to \$50,000	15%
\$0	\$0	Greater than \$50,000	10%
\$1 to \$25,000	\$0	\$20,001 to \$50,000	10%
\$1 to \$50,000	\$0	\$1 to \$20,000	10%
\$25,001 to \$50,000	\$0	\$20,001 to \$50,000	5%
\$50,001 to \$100,000	\$0	\$0 to \$20,000	5%

**RESERVES** = Open Claim Reserves (Indemnity Losses and Allocated Loss Adjustment Expenses) **PAID INDEMNITY** = Paid Indemnity Losses **PAID ALAE** = Paid Allocated Loss Adjustment Expenses

If the Named Insured is being insured with the Company for the first time:

- A 15% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s)
- A 7.5% claims-free discount shall be applied if the Named Insured had only 1 closed claim with no paid indemnity losses for the most recent five years with their prior insurance carrier(s)

If the Named Insured has been insured with the Company less than three full years immediately preceding the effective date of the policy:

- A 15% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s) AND no claims with the Company
- A 7.5% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s) AND only 1 open or closed claim with no paid indemnity losses and paid allocated loss adjustment expenses with the Company
- A 7.5% claims-free discount shall be applied if the Named Insured had only 1 closed claim with no
  paid indemnity losses for the most recent five years with their prior insurance carrier(s) AND no
  claims with the Company

A claims-free discount shall NOT apply to:

- any Named Insured with an imposed surcharge
- part time/quarter time, prep, slotted and auxiliary healthcare professionals
- ancillary healthcare providers (e.g. Physician Assistant, Certified Nurse Practitioner, etc.) that share limits with any Named Insured
- healthcare professionals rated on a "per procedure" basis

## Rule B. Prep Discount is deleted and replaced with the following:

#### **B.** Prep Discount

A "prep" or new to practice discount may be requested by an insured who purchases a claims-made policy and is entering private practice for the first time within three years of completing his/her: internship, residency program, military service, HMO or Veteran Administration employment, volunteer/county/government work, or teaching position. Prep rate may also apply to a physician who decided to change his or her specialty by completing a new residency training program. When this discount is applied, the claims-free, part time/quarter time and risk management discounts shall <u>not</u> apply.

First year 50% Second year 25% Third year 0%

#### Rule C. Part Time/Quarter Time Discount is deleted and replaced with the following:

## C. Part Time/Quarter Time Discount

A part time/quarter time discount is available for all Named Insureds except surgical specialties that are part of medical groups of less than 15 physicians. This discount is based upon hours worked per week or days worked per year, including administrative duties. When this discount is applied, the claimsfree, prep and risk management discounts shall <u>not</u> apply.

1. Part Time: 50%

20 hours or less per week or who work 26 weeks or less per year.

2. Quarter Time: 75%

10 hours or less per week and have been in practice for at least two years.

## Rule D. Risk Management Discount is deleted and replaced with the following:

#### D. Risk Management Discount

- 1. A risk management discount of 5% shall be applied for all Named Insureds that participate in risk management activities through a Company approved national, state or local medical association.
- 2. A risk management discount of 10% shall be applied for all Named Insureds that comply with Company approved specialty-based risk management program requirements within a 12 month period.
- 3. A risk management discount of 5% shall be applied for all Named Insureds that participate in any other risk management program approved by the Company.

## Rule F. Defense Within Limits of Liability Discount is deleted and replaced with the following:

## F. <u>Defense Within Limits of Liability Discount</u>

A Named Insured may elect coverage that includes payment of defense expenses within their limits of liability. When a Named Insured makes this election, a 1.5% discount shall be applied to the Named Insured's premium.

Rule H. Imposed Surcharges is deleted and replaced with the following:

### H. Imposed Surcharges

See Appendix-California General Rules Exception Pages

Rule I. Schedule Rating Plan is amended by adding the following:

Debits/credits in excess of +/-25% must be supported by "convincing factual evidence."

# THE DOCTORS COMPANY PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS

## **SECTION 2-CALIFORNIA GENERAL RULES EXCEPTION PAGES**

## I. GENERAL GUIDELINES

Rule F. Cancellation/Nonrenewal is deleted and replaced with the following:

## F. Cancellation/Nonrenewal

The policy can be cancelled by written request of the First Named Insured and stating a prospective effective date of cancellation. Any unearned premium will be refunded, less a 10% short rate fee.

The Company may cancel or nonrenew a policy in accordance with state requirements. A pro-rata refund is made of any unearned premium.

## **II. RATING GUIDELINES**

Rule B. Sizable Risk Rating is deleted.

Rule C. Rating Factors-1. Manual Base Rate is deleted and replaced with the following for SCPIE Indemnity Company only:

#### 1. Manual Base Rate

The manual base rate is the 1M/3M claims-made mature and occurrence rate based on medical specialty. See State Rate Pages for applicable manual base rates.

#### **III. ADDITIONAL COVERAGES**

Rule F. Punitive Damages Coverage is deleted.

The following additional rules are added:

#### **Optional Personal Excess Coverage**

The Company offers to insureds or former insureds of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 personal excess coverage on an occurrence basis for protection over and above required minimum limits of personal liability coverage provided in personal lines policies the insured obtains through other insurers. The premium is \$340.

To qualify for this Optional Personal Excess Coverage, an insured must represent that he or she maintains certain other underlying minimum insurance coverage and must never have had a similar personal excess coverage or policy cancelled, declined, or non-renewed.

#### **General Liability Coverage**

The Company offers to insureds or former insured groups of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 general liability coverage on an occurrence basis. The premium is 4% of the professional liability premium, subject to a minimum charge of \$1,000.

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The Company offers to insureds or former insured groups of SCPIE Indemnity Company and American Healthcare Indemnity Company an optional \$1,000,000 limited premises liability coverage on a claims-made basis. The premium is \$400. If the professional liability policy is written on an occurrence basis, then the premises liability coverage is also written on an occurrence basis.

## **IV. DISCOUNTS/SURCHARGES**

Rule A. Claims-Free Discount is deleted and replaced with the following:

## A. Claims-Free Discount

If the Named Insured has been insured with the Company for at least three full years immediately preceding the effective date of the policy, a claims-free discount shall be applied based on the Named Insured's current open claim reserves and cumulative closed claim payments for the most recent three years as follows:

<u>RESERVES</u>	PAID INDEMNITY	PAID ALAE	<b>CLAIMS-FREE DISCOUNT</b>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>25%</u>
<u>\$0</u>	<u>\$0</u>	\$1 to \$20,000	<u>20%</u>
\$1 to \$50,000	<u>\$0</u>	<u>\$0</u>	<u>20%</u>
<u>\$0</u>	<u>\$0</u>	\$20,001 to \$50,000	<u>15%</u>
<u>\$0</u>	<u>\$0</u>	Greater than \$50,000	<u>10%</u>
\$1 to \$25,000	<u>\$0</u>	\$20,001 to \$50,000	<u>10%</u>
\$1 to \$50,000	<u>\$0</u>	\$1 to \$20,000	<u>10%</u>
\$25,001 to \$50,000	<u>\$0</u>	\$20,001 to \$50,000	<u>5%</u>
\$50,001 to \$100,000	<u>\$0</u>	<u>\$0 to \$20,000</u>	<u>5%</u>

**RESERVES** = Open Claim Reserves (Indemnity Losses and Allocated Loss Adjustment Expenses) **PAID INDEMNITY** = Paid Indemnity Losses

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If the Named Insured is being insured with the Company for the first time:

- A 15% claims-free discount shall be applied if the Named Insured had no claims for the most recent five years with their prior insurance carrier(s)
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If the Named Insured has been insured with the Company less than three full years immediately preceding the effective date of the policy:

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  paid indemnity losses for the most recent five years with their prior insurance carrier(s) AND no
  claims with the Company

#### A claims-free discount shall NOT apply to:

- any Named Insured with an imposed surcharge
- part time/quarter time, prep, slotted and auxiliary healthcare professionals
- ancillary healthcare providers (e.g. Physician Assistant, Certified Nurse Practitioner, etc.) that share limits with any Named Insured
- healthcare professionals rated on a "per procedure" basis

### Rule B. Prep Discount is deleted and replaced with the following:

#### **B.** Prep Discount

A "prep" or new to practice discount may be requested by an insured who purchases a claims-made policy and is entering private practice for the first time within three years of completing his/her: internship, residency program, military service, HMO or Veteran Administration employment, volunteer/county/government work, or teaching position. Prep rate may also apply to a physician who decided to change his or her specialty by completing a new residency training program. When this discount is applied, the claims-free, part time/quarter time and risk management discounts shall not apply.

First year	<u>50%</u>
Second year	25%
Third year	0%

## Rule C. Part Time/Quarter Time Discount is deleted and replaced with the following:

## C. Part Time/Quarter Time Discount

A part time/quarter time discount is available for all Named Insureds except surgical specialties that are part of medical groups of less than 15 physicians. This discount is based upon hours worked per week or days worked per year, including administrative duties. When this discount is applied, the claimsfree, prep and risk management discounts shall not apply.

1. Part Time: 50%

20 hours or less per week or who work 26 weeks or less per year.

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#### D. Risk Management Discount

- 1. A risk management discount of 5% shall be applied for all Named Insureds that participate in risk management activities through a Company approved national, state or local medical association.
- 2. A risk management discount of 10% shall be applied for all Named Insureds that comply with Company approved specialty-based risk management program requirements within a 12 month period.
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## Rule F. Defense Within Limits of Liability Discount is deleted and replaced with the following:

## F. <u>Defense Within Limits of Liability Discount</u>

A Named Insured may elect coverage that includes payment of defense expenses within their limits of liability. When a Named Insured makes this election, a 1.5% discount shall be applied to the Named Insured's premium.

Rule H. Imposed Surcharges is deleted and replaced with the following:

## H. Imposed Surcharges

See Appendix-California General Rules Exception Pages

Rule I. Schedule Rating Plan is amended by adding the following:

Debits/credits in excess of +/-25% must be supported by "convincing factual evidence."

# THE DOCTORS COMPANY PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS

## **SECTION 3- CALIFORNIA RATE PAGES**

#### **A. MANUAL BASE RATES**

## **TERRITORIES**

Territory A = Riverside and San Bernardino Counties

Territory B = Kern, Los Angeles, Orange and Ventura Counties

Territory C = Imperial and San Diego Counties

Territory D = Alameda, Contra Costa, Madera, Mariposa, Merced, Monterey, San Benito, San

Francisco, San Luis Obispo, San Mateo, Santa Clara and Santa Cruz Counties

Territory E = Remainder of State

## \$1M/\$3M LIMITS OF LIABILITY MATURE CLAIMS-MADE COVERAGE (SEE NOTE A)

	<u>Territory</u>				
Physicians/Surgeons Specialties	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Administrative Medicine	6,972	6,348	3,330	3,264	3,587
Allergy/Immunology	6,373	5,491	3,931	2,743	3,587
Anesthesiology	17,213	11,885	10,472	6,410	9,057
Anesthesiology-Pain Management	17,805	11,885	10,952	7,042	9,057
Cardiology (Invasive)	21,024	15,149	13,408	8,608	11,832
Colon & Rectal Surgery (Minor Surgery Limited to Anal Ring)	35,100	26,611	19,041	11,477	17,651
Dermatology	10,530	6,648	5,712	3,952	5,295
Dermatology (With Liposuction)	31,369	24,574	21,897	13,199	16,480
Diagnostic Radiology	20,269	15,902	13,880	8,436	10,591
Emergency Medicine	36,855	23,267	19,993	12,051	18,534
Family General Practice (No Surgery-Hospital Care)	11,114	8,975	7,447	5,069	6,217
Family General Practice (Minor Surgery-No Obstetrics)	15,945	11,885	10,513	6,609	8,451
Family General Practice (Restricted Major Surgery-No Obstetrics)	25,447	16,066	13,804	10,178	12,681
Family General Practice (With Obstetrics)	37,574	31,944	18,850	12,504	17,136
Gastroenterology	18,184	13,075	10,853	6,827	9,646
General Medicine (Restricted)	12,285	7,756	6,143	4,017	6,178
General Surgery (All Other)	51,671	40,940	35,273	21,262	28,498
General Surgery (Bariatric)	87,750	46,643	37,676	23,283	29,287
Gynecology (Major Surgery)	28,618	23,267	18,908	12,521	15,766
Gynecology (With In-Vitro Fertilization)	55,282	34,902	29,989	18,077	27,801
Hand & Foot Surgery	21,323	24,237	17,667	13,035	13,263
Internal Medicine	14,564	10,136	9,730	6,172	7,790
Internal Medicine Subspecialties (see Note B)	12,380	9,611	8,307	5,250	6,622
Neonatology	24,570	15,511	13,328	8,034	12,356
Neurology	20,960	15,800	12,654	8,349	10,701
Neurosurgery	86,716	67,012	55,364	36,153	43,733
Nuclear Medicine	7,445	6,070	5,588	3,847	4,962
Obstetrics & Gynecology	67,875	48,808	41,128	26,968	34,644
Occupational Medicine	5,265	4,740	3,135	2,243	2,648
Ophthalmology (No Surgery)	5,265	6,410	4,853	2,442	2,648
Ophthalmology (Minor Surgery)	10,442	7,202	6,165	4,240	5,411
Ophthalmology (Major Surgery)	16,409	14,883	10,963	6,019	8,504
Orthopedic Surgery (No Spinal)	43,619	33,341	28,342	18,328	23,432
Orthopedic Surgery (With Spinal)	53,528	33,793	29,037	19,226	26,918
Otolaryngology (Major With No Facial Plastic)	20,269	13,513	14,876	10,100	11,173
Otolaryngology (Major With Facial Plastic)	31,939	24,393	19,468	14,104	17,179
Note A: The mature claims-made coverage manual base rate also applie	es for occurre	nce coveraç	ge.		

Note A: The mature claims-made coverage manual base rate also applies for occurrence coverage.

Note B: Internal Medicine Subspecialties include Non-Invasive Cardiology, Endocrinology, Hematology, Infectious Disease, Nephrology, Oncology and Rheumatology.

			<b>Territory</b>	L	
Physicians/Surgeons Specialties (Continued)	<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>
Pathology	11,636	10,136	8,759	5,280	7,452
Pediatrics	14,432	12,000	9,179	5,819	7,855
Physical Medicine & Rehabilitation	10,530	6,490	5,136	3,443	4,418
Physical Medicine & Rehabilitation-Pain Management (Minor Procedures)	11,635	7,819	7,616	4,796	6,505
Physical Medicine & Rehabilitation-Pain Management (Major Procedures)	18,293	13,626	10,788	7,632	9,280
Plastic Surgery	34,797	29,143	23,641	18,834	20,697
Psychiatry	6,713	6,606	4,712	3,264	4,124
Pulmonary Medicine	20,156	14,493	12,010	7,599	10,628
Surgical Specialty (Office with Minor Surgery)	23,325	15,733	11,946	8,149	10,984
Therapeutic Radiology	17,200	14,082	12,010	8,188	10,445
Thoracic/Cardiovascular Surgery	47,289	38,780	32,123	20,086	25,376
Urology	25,998	18,694	14,947	9,169	12,849
Per Procedure Rates					
Surgicenter	9.40	6.54	6.28	3.98	5.03
Other Healthcare Professionals					
Chiropractic	2,185	1,662	1,459	925	1,168
Dental (Local Anesthesia and Nitrous Only)	2,913	2,216	1,904	1,148	1,558
Dental (Sedation)	7,020	4,432	3,808	2,295	3,530
Oral Surgeons	16,390	13,296	11,424	9,146	10,591
Dental Anesthesiologists	24,570	15,511	13,328	8,034	12,356
Podiatry (No Surgery)	3,347	3,241	2,511	1,880	2,216
Podiatry (Minor Surgery)	7,698	7,117	5,772	4,636	5,094
Podiatry (Major Surgery)	8,869	8,592	6,658	4,636	5,875

# **B. LIMITS OF LIABILITY**

# All Specialties Except Chiropractic

## **Chiropractic**

Per Claim/Aggregate Limits of Liability	Factor	Per Claim/Aggregate Limits of Liability	Factor
<u>Limits of Liability</u>	<u>racioi</u>	<u>Limits of Liability</u>	racioi
.1M/.3M	Not Available	.1M/.3M	0.526
.2M/.6M	Not Available	.2M/.6M	0.684
.25M/.75M	Not Available	.25M/.75M	0.737
.5M/1.5M	0.880	.5M/1.5M	0.842
1M/3M	1.000	1M/3M	1.000
2M/5M	1.250	2M/5M	1.250
3M/6M	1.396	3M/6M	1.396
4M/7M	1.481	4M/7M	1.481
5M/8M	1.530	5M/8M	1.530
6M/9M	1.572	6M/9M	1.572
7M/10M	1.605	7M/10M	1.605
8M/11M	1.635	8M/11M	1.635
9M/12M	1.659	9M/12M	1.659
10M/13M	1.681	10M/13M	1.681
11M/14M	1.703	11M/14M	1.703

For each \$1,000,000 increase in the annual aggregate limit, add 0.005 to the applicable increased limits factor.

For each \$1,000,000 decrease in the annual aggregate limit, subtract 0.005 from the appropriate increased limits factor.

# C. ANCILLARY HEALTHCARE PROFESSIONALS

Ancillary Healthcare Professional	Separate Limits Rate
Physician Assistant	15% of Family/General Practice (No Surgery-Hospital Care) rate or otherwise applicable physician/surgeon rate
Surgeon Assistant	15% of Family/General Practice (No Surgery-Hospital Care) rate or otherwise applicable physician/surgeon rate
Certified Nurse Practitioner	15% of Family/General Practice (No Surgery-Hospital Care) rate or otherwise applicable physician/surgeon rate
Certified Nurse Midwife (Direct Supervision)	8.7% of Obstetrics & Gynecology rate
Certified Nurse Midwife (Indirect Supervision)	17.5% of Obstetrics & Gynecology rate
Certified Registered Nurse Anesthetist (Supervised by Anesthesiologist)	15% of Anesthesiology rate
Certified Registered Nurse Anesthetist (Supervised by Surgeon)	27% of Anesthesiology rate
Optometrist	9.5% of Internal Medicine rate

# THE DOCTORS COMPANY PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS

## **APPENDIX-CALIFORNIA GENERAL RULES EXCEPTION PAGES**

## IV. DISCOUNTS/SURCHARGES

Rule H. Imposed Surcharges is deleted and replaced with the following:

### H. <u>Imposed Surcharges</u>

#### Eligibility-New Business

In lieu of declining a risk, the following surcharges may be applied for a risk that does not meet the minimum underwriting guidelines established for the Company.

### Eligibility-Renewal Business

In lieu of nonrenewing a risk, the following surcharges may be applied for:

- 1. a risk whose claim severity and/or frequency for its specialty exceeds an actuarially expected standard; or
- a risk for whom underwriting information (other than claim severity and/or claim frequency) has been developed that does not meet the minimum underwriting guidelines established for the Company

Subject to the point ranges set forth on the Points Evaluation Worksheet, surcharges of 20% to 400% will be applied as a percentage of premium. With the exception of part-time and claims-free discounts, all rating discounts apply. Case reserve amounts on pending claims are adjusted pursuant to underwriting guidelines.

Limits above \$2 million/\$5 million are not available.

#### **POINTS SCHEDULE**

## **CLAIMS WITHIN THE LAST 10 YEARS FROM DATE OF REPORT**

		-	<u> </u>
A.	Frequency and Severity Claims Schedule	Total Points From Sch	edule
B.	No claims reported in the past five full years.		-100
	DRUG OR ALCOHOL IMPAIRME	NT	
A.	Has experienced drug, alcohol, or mental illness problems me	ore than 5 years ago.	50
B.	Has experienced drug, alcohol, or mental illness problems wi	thin the past 5 years.	75
C.	Currently in treatment for substance abuse.		150

**Points** 

	<u>Points</u>
D. Any relapse within the past 5 years.	150
E. Physical or mental impairment that impacted physician's ability to practice medicine safely.	100
GOVERNMENT AGENCY ACTIONS	
A. Medical license in any state has been revoked.	150
B. Medical license in any state has been suspended.	150
C. Medical license has been placed on probation with restrictions on the type of services he or she can provide.	100
D. Medical license has been placed on probation for more than 5 years.	100
E. Medical license has been placed on probation for 1 to 5 years.	75
F. Medical license is under investigation.	50
G. Reprimand, fine, citation, etc.	
<ol> <li>Public letter of reprimand, fine, citation, etc.</li> <li>Public letter of reprimand with restrictions and/or mandated courses</li> </ol>	50 100
H. Petition to revoke probation filed.	100
<ol> <li>Failure to report license investigation as required by affirmative duty language in policy.</li> </ol>	50

Note: Items A, B, C, D, E, F, G, H and I – only applies per occurrence – i.e., highest point value.

- J. During the preceding 5 years, DEA license has been revoked suspended, or issued 100 with special terms or conditions, or license has been voluntarily surrendered or not renewed, other than normal nonrenewal license substantiated by physician.
- K. Has been arrested, indicted or convicted or indicted of a criminal act, or has been found to be in violation of a civil statute, per occurrence.

	1) Medically related:	Within 5 years	100
		More than 5 years	50
	<ol><li>Not medically related:</li></ol>	Within 5 years	50
		More than 5 years	25
L.	Medicare/MediCal/Medicai	d investigation	40
M. Loss of Medicare/MediCal/Medicaid privileges			50

	<u>Points</u>
N. Loss of, or current investigation of, insurance provider privileges	50
O. Investigation by U.S. Government (Qui Tam, Ricoh, etc.)	50
INAPPROPRIATE PATIENT CONTACT	
A. Proven with a single patient.	75
B. Proven with more than one patient.	150
C. Alleged with one or more patients.	50
MEDICAL EDUCATION	
<ul> <li>Attended more than one medical school or a residency program due to actual or planned disciplinary action.</li> </ul>	50
B. Residency completed at two or more facilities.	50
C. Started, but did not complete, a full residency program.	50
D. Did not begin a residency.	50
E. Has never received board certification.	50
MEDICAL RECORDS	
A. Records alterations with material change and intent.	150
B. Records alterations not a material change to records, just cleaning up.	25
C. Generally poor record keeping.	50
INFORMED CONSENT A. Incomplete consent obtained.	25
B. Lack of Informed Consent.	50
PRIVILEGES - ANY STATE	00
(Hospital, Surgery Center, etc.)	
A. Privileges have been involuntarily restricted, or restricted by negotiation in the past 10 years (per occurrence).	50
B. Privileges have been suspended in the past 10 years (per occurrence).	100
C. Privileges have been revoked in the past 10 years (per occurrence).	150
D. Has unexplained changes in privileges (per occurrence).	25

		<u>Points</u>
E.	Has been notified by facility of its intent to:	
	<ol> <li>Restrict privileges</li> <li>Suspend privileges</li> <li>Revoke privileges</li> <li>Failure to report changes in privileges</li> </ol>	30 50 100 100
No	te: Only applies per occurrence-i.e. highest point value	
F.	No privileges at any facility.	100
G.	Currently undergoing peer review.	75
Н.	Notice of peer review received.	50
	PROCEDURES	
A.	Is performing a medical procedure that is considered experimental but not directly dangerous.	15
В.	Is performing a medical procedure that is in violation of policy exclusions.	50
C.	Is performing a procedure(s) not usual and customary to his/her medical specialty.	50
D.	Is performing a medical procedure that is in violation of policy exclusion and is considered dangerous.	150
E.	Is performing a procedure(s) outside his/her medical specialty.	100
F.	Is performing high risk procedures within his/her medical specialty.	100
	PATIENT SAFETY/RISK MANAGEMENT	
A.	Mandatory patient safety/risk management previously recommended and insured did not comply.	100
В.	Mandatory patient safety/risk management previously recommended and insured had initial compliance but no follow through.	75
	GAPS IN MEDICAL PRACTICE	
A.	Gaps in medical practice of 3-6 months' duration.	50
В.	Gaps in medical practice of 6-8 months' duration.	100
C.	Gaps in medical practice greater than 8 months.	150

# **PAYMENT HISTORY**

	PATMENT HISTORY	<u>Points</u>
A.	Two or more late payments within the last three years.	100
В.	Two or more cancellations for non-payment of premium within the last three years.	150
	OTHER	
A.	Uncooperative in claims handling.	75
B.	Patient Load:  1) Surgeons-61-99 patients per week 2) Surgeons-100 or more patients per week 3) All others except Surgeons-101-149 patients per week 4) All others except Surgeons-150 or more patients per week	50 100 50 100
C.	If insured advertises his/her services on TV, newspapers, billboards or radio.	25
D.	Uses collection agency that can file suit without insured's written consent.	25
E.	Previous insurance history (bare, insolvent prior insurer or nonrenewed).	100
F.	Claim experience of Associates, Partners or Corporation:	
	<ol> <li>If one member with claim(s)</li> <li>If more than one member with claim(s)</li> <li>Favorable experience of group as a whole</li> </ol>	75 100 -150
G.	For each claim or suit in which the physician breached the standard of care:	
	<ol> <li>Mixed Reviews</li> <li>All Negative Reviews</li> <li>Admitted or Clear Liability</li> </ol>	50 100 100
Н.	For two or more claims, suits or incidents arising out of the same or similar procedures or treatments.	50
I.	Claim is too early in discovery period:	
	<ol> <li>Surgical Class</li> <li>Non-Surgical Class</li> </ol>	-100 -50
J.	For each claim or suit in which expert reviewers state the insured met the standard of care:	
	<ol> <li>Surgical Class</li> <li>Non-Surgical Class</li> </ol>	-150 -100

		<u>Points</u>
K.	High risk surgical patient selection.	150
L.	Reinstatement of nonrenewal due to company election.	150
M.	Loss Ratio in excess of 500%.	150
N.	Loss Ratio less than 100%.	-100
Ο.	Discrepancies between application answers/documents and verification.	150
Ρ.	Action by specialty association or society (AANS, ACS, etc.).	75
Q.	Poor witness capabilities.	150

# Frequency and Severity Claims Schedule

Insured:	Policy #:		
Effective	Review		
Date:	Date:		

Claims Without Indemnity				
	ALAE Claim From: To: Score			
_			Score	
\$	5,001	\$ 25,000	1	
\$	25,001	\$ 50,000	2	
\$	50,001	\$ 100,000	3	
\$	100,001	& up	4	

Claims <u>With</u> Indemnity				
1	Indemnity + ALAE Claim From: To: Score			
\$	1	\$ 25,000	4	
\$	25,001	\$ 50,000	5	
\$	50,001	\$ 100,000	6	
\$	100,001	\$ 250,000	7	
\$	250,001	\$ 500,000	8	
\$	500,001	\$750,000	9	
\$	750,001	\$1,000,000	11	
\$1	,000,001	& up	13	

		Report				Claim
_	Claimant Name	Date	Indemnity	ALAE	Total	Score
Claim # 1		/ /	\$	\$	\$	_
Claim # 2		/ /	\$	\$	\$	_
Claim # 3		/ /	\$	\$	\$	
Claim # 4		/ /	\$	\$	\$	_
Claim # 5		/ /	\$	\$	\$	_
Claim # 6		/ /	\$	\$	\$	_
Claim # 7		/ /	\$	\$	\$	_
Claim # 8		/ /	\$	\$	\$	
Claim # 9		/ /	\$	\$	\$	
Claim # 10		/ /	\$	\$	\$	

Total:

# Frequency and Severity Claims Schedule (Continued)

Total	Low Frequency Specialties				
Claim	No. of Years w/TDC (1) (2)				
Score	0 - 2	3 - 5	6 - 8	9 & up	
2	75	50	30	20	
3	100	75	55	45	
4	125	100	80	70	
5	150	125	105	95	
6	175	150	130	120	
7	200	175	155	145	
8	225	200	180	170	
9	250	225	205	195	
10	275	250	230	220	
11	300	275	255	245	
12	325	300	280	270	
13	350	325	305	295	
14	375	350	330	320	
15	400	375	355	345	

Total	High Frequency Specialties *				
Claim	No. of Years w/TDC (1) (2)				
Score	0 - 2	3 - 4	5 - 6	7 & up	
3	75	50	30	20	
4	100	75	55	45	
5	125	100	80	70	
6	150	125	105	95	
7	175	150	130	120	
8	200	175	155	145	
9	225	200	180	170	
10	250	225	205	195	
11	275	250	230	220	
12	300	275	255	245	
13	325	300	280	270	
14	350	325	305	295	
15	375	350	330	320	

<sup>(1)</sup> As of Review Date.

<sup>(2)</sup> Add 25 points for each Total Claim Score above 15.

<sup>\*</sup> Emergency Medicine, General Surgery, Neurosurgery, Obstetrics & Gynecology, Oral Surgeons, Orthopedic Surgery, Otolaryngology (Major with Facial Plastic), Plastic Surgery, Thoracic Surgery and Urology

# **Points Evaluation Worksheet**

Insured:	Policy #:	Policy #:			
Renewal Date:	Evaluation Date:	Evaluation Date:			
<u>Criteria</u>	<u>Points</u>				
Claims					
Drug or Alcohol Impairment					
Government Agency Actions					
Inappropriate Patient Contact					
Medical Education					
Informed Consent					
Privileges - Any State					
Procedures					
Patient Safety/Risk Manageme	ent				
Gaps In Medical Practice					
Payment History					
Other					
TOTAL POINTS					
Ranges & Surcharges  0 to 50 points-No surcharge 131 to 170 points-40% surcharge 251 to 280 points-70% surcharge 326 to 350 points-100% surcharge 391 to 410 points-175% surcharge 451 to 470 points-250% surcharge 511 to 530 points-325% surcharge 571 to 590 points-400% surcharge Comments:	51 to 90 points-20% surcharge 171 to 210 points-50% surcharge 281 to 300 points-80% surcharge 351 to 370 points-125% surcharge 411 to 430 points-200% surcharge 471 to 490 points-275% surcharge 531 to 550 points-350% surcharge 591 or more points-NON-RENEW	91 to 130 points-30% surcharge 211 to 250 points-60% surcharge 301 to 325 points-90% surcharge 371 to 390 points-150% surcharge 431 to 450 points-225% surcharge 491 to 510 points-300% surcharge 551 to 570 points-375% surcharge			
Completed by:	Approved by:				

# THE DOCTORS COMPANY PHYSICIANS, SURGEONS AND ANCILLARY HEALTHCARE PROVIDERS

## **APPENDIX-CALIFORNIA GENERAL RULES EXCEPTION PAGES**

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- 2. a risk for whom underwriting information (other than claim severity and/or claim frequency) has been developed that does not meet the minimum underwriting guidelines established for the Company

Subject to the point ranges set forth on the Points Evaluation Worksheet, surcharges of 20% to 400% will be applied as a percentage of premium. With the exception of part-time and claims-free discounts, all rating discounts apply. Case reserve amounts on pending claims are adjusted pursuant to underwriting guidelines.

All \$2 million/\$5 million rates will be surcharged by an additional 5.5%. Limits above \$2 million/\$5 million are not available.

#### **POINTS SCHEDULE**

### CLAIMS WITHIN THE LAST 10 YEARS FROM DATE OF REPORT

		<u>i Oiits</u>
A.	Frequency and Severity Claims Schedule	Total Points From
В.	No claims reported in the past five full years.	Schedule -100
A.	DRUG OR ALCOHOL IMPAIRMENT – HEALTH Has experienced drug, alcohol, or mental illness problems more than 5 years ago.	50
В.	Has experienced drug, alcohol, or mental illness problems within the past 5 years.	75

**Points** 

	C. Currently in treatment for	unresolved substance abuse.	150		
	D. Any relapse within the pas	st 5 years.	150		
	Physical or mental impairr medicine safely.	ment that impacted physician's ability to practice	100		
	A. Medical license in any sta	GOVERNMENT AGENCY ACTIONS te has been revoked.	150		
	B. Medical license in any sta	te has been suspended.	100		
	C. Medical license has been of services he or she can	placed on probation with restrictions on the type provide.	<u>100</u> 75		
	D. Medical license has been	placed on probation for more than 5 years.	<u>100</u> 75		
	E. Medical license has been	placed on probation for 1 to 5 years.	<u>75</u>		
	F. Medical license is under in	. Medical license is under investigation.			
	G. Reprimand, fine, citation,	<u>etc.</u>	40		
		mand, fine, citation, etc.  mand with restrictions and/or mandated courses	_50 <u>100</u>		
	H. Petition to revoke probation	on filed	<u>100</u>		
	Failure to report license in language in policy	vestigation as required by affirmative duty	_50		
	Note: Items A, B, C, D, E, F, G <u>. H</u> and <u>L</u> H— only applies per occurrence – i.e., highest point value.				
	issued with special terms	ars, DEA license has been revoked suspended, or or conditions, or license has been voluntarily ed, other than normal nonrenewal license n.	100		
	<ul> <li>K. Has been convicted or inc violation of a civil statute,</li> </ul>	licted of a criminal act, or has been found to be in per occurrence.			
	1) Medically related:	Within 5 years More than 5 years	100 50		
	2) Not medically relate	ed: Within 5 years More than 5 years	50 25		
	L. Medicare/MediCal/Medica	40			
	M. Loss of Medicare/MediCal/Medicaid privileges				

N.	Loss of, or current investigation of, any health insurance provider privileges	50
Ο.	Investigation by U.S. Government (Qui Tam, Ricoh, etc.)	<u>50</u>
	IN A DDD ODDIATE DATIENT CONTACT	
A.	INAPPROPRIATE PATIENT CONTACT Proven with a single patient.	75
В.	Proven with more than one patient.	150
C.	Alleged with one or more patients.	50
A.	MEDICAL EDUCATION  Attended more than one medical school or a residency program due to actual or planned disciplinary action.	50
В.	Residency completed at two or more facilities.	50
C.	Started, but did not complete, a full residency program.	50
D.	Did not begin a residency.	50
E.	Has never received board certification	50
A.	MEDICAL RECORDS Records alterations with material change and intent.	150
В.	Records alterations not a material change to records, just cleaning up.	25
C.	Generally poor record keeping.	50
A.	INFORMED CONSENT Incomplete consent obtained.	25
В.	Lack of Informed Consent.	50
	PRIVILEGES - ANY STATE	
A.	(Hospital, Surgery Center, etc.) Privileges have been involuntarily restricted, or restricted by negotiation in the past 10 years (per occurrence).	50
В.	Privileges have been suspended in the past 10 years (per occurrence).	100
C.	Privileges have been revoked in the past 10 years (per occurrence).	150
D.	Has unexplained changes in privileges (per occurrence).	25
E.	Has been notified by facility of its intent to:	

<ul> <li>1) Restrict privileges</li> <li>2) Suspend privileges</li> <li>3) Revoke privileges</li> <li>4) Failure to report changes in privileges</li> </ul>	30 50 100 <u>100</u>
Note: Only applies per occurrence-i.e. highest point value	
F. No privileges at any facility.	100
G. Currently undergoing peer review.	75
H. Notice of peer review received.	50
PROCEDURES  A. Is performing a medical procedure that is considered experimental but not directly dangerous.	15
B. Is performing a medical procedure that is in violation of policy exclusions.	50
C. Is performing a procedure(s) not usual and customary to his/her medical specialty.	50
<ul> <li>D. Is performing a medical procedure that is in violation of policy exclusion and is considered dangerous.</li> </ul>	150
E. Is performing a procedure(s) outside his/her medical specialty.	100
F. Is performing high risk procedures within his/her medical specialty	100
PATIENT SAFETY/RISK MANAGEMENT  A. Mandatory patient safety/risk management previously recommended and insured did not comply.	100
B. Mandatory patient safety/risk management previously recommended and insured had initial compliance but no follow through.	75
GAPS IN MEDICAL PRACTICE	<b>5</b> 0
A. Gaps in medical practice of 3-6 months' duration.	50
B. Gaps in medical practice of 6-8 months' duration.	100
C. Gaps in medical practice greater than 8 months  PAYMENT HISTORY	150
A. Two or more late payments within the last three years.	100
B. Two or more cancellations for non-payment of premium within the last three years.	150
OTHER  A. Uncooperative in Claims Handling	75
B. Patient Load:	

<ul> <li>1)-For Surgeons-, 61-99 patients per week</li> <li>2)-For Surgeons-, 100 or more patients per week</li> <li>3) All For all others except Surgeons-, 101-149 patients per week</li> </ul>	50 100
4) All For all others except Surgeons-, 1150 or more patients	
<ul> <li>C. Advertising: If insured advertises his/her services on TV, newspap billboards or radio</li> </ul>	ers, 25
D. Uses collection agency that can file suit without insured's written of	onsent. 25
E. Previous insurance history (bare, insolvent prior insurer or nonrene	ewed). 100
F. Claim experience of Associates, Partners or Corporation:	
<ul><li>1) If one member with claim(s)</li><li>2) If more than one member with claim(s)</li><li>3) Favorable experience of group as a whole</li></ul>	75 100 -150
G. For each claim or suit in which the physician breached the standar care:	rd of
<ul><li>1) Mixed Reviews</li><li>2) All Negative Reviews</li><li>3) Admitted or Clear Liability</li></ul>	50 100 100
H. For two or more claims, suits or incidents arising out of the same of procedures or treatments.	or similar 50
I. Claim is too early in discovery period:	
1) Surgical Class 2) Non-Surgical Class	-100 -50
For each claim or suit in which expert reviewers state the insured standard of care:	met the
1) Surgical Class 2) Non-Surgical Class	-150 -100
K. High risk surgical patient selection.	150
L. Reinstatement of nonrenewal due to company election	150
M. Loss Ratio in excess of 500%.	150
N. Loss Ratio less than 100%.	-100
O. Discrepancies between application answers/documents and verific	cation 150
P. Action by specialty association or society (AANS, ACS, etc.)	<u>75</u>

# Frequency and Severity Claims Schedule

Insured:	Policy #:	
Effective	Review	
Date:	Date:	

Claims Without Indemnity		
ALAE Claim		
 From:	To:	Score
\$ 5,001	\$ 25,000	1
\$ 25,001	\$ 50,000	2
\$ 50,001	\$ 100,000	3
\$ 100,001	& up	4

Claims <u>With</u> Indemnity				
1	ndemnit From:	y + ALAE To:	Claim Score	
\$	1	\$ 25,000	4	
\$	25,001	\$ 50,000	5	
\$	50,001	\$ 100,000	6	
\$	100,001	\$ 250,000	7	
\$	250,001	\$ 500,000	8	
\$	500,001	\$750,000	9	
\$	750,001	\$1,000,000	11	
\$1	,000,001	& up	13	

	Olaina au ( Nama	Report	l., .l.,	41.45	T-4-1	Claim
	Claimant Name	Date	Indemnity	ALAE	Total	Score
Claim # 1		/ /	\$	\$	\$	
Claim # 2		/ /	\$	\$	\$	
Claim # 3		/ /	\$	\$	\$	_
Claim # 4		/ /	\$	\$	\$	
Claim # 5		/ /	\$	\$	\$	
Claim # 6		/ /	\$	\$	\$	
Claim # 7		/ /	\$	\$	\$	
Claim # 8		/ /	\$	\$	\$	
Claim # 9		/ /	\$	\$	\$	
Claim # 10		/ /	\$	\$	\$	

Total:

## Frequency and Severity Claims Schedule (Continued)

Total	Low Frequency Specialties			
Claim	No. of Years w/TDC (1) (2)		(2)	
Score	0 - 2	3 - 5	6 - 8	9 & up
2	75	50	30	20
3	100	75	55	45
4	125	100	80	70
5	150	125	105	95
6	175	150	130	120
7	200	175	155	145
8	225	200	180	170
9	250	225	205	195
10	275	250	230	220
11	300	275	255	245
12	325	300	280	270
13	350	325	305	295
14	375	350	330	320
15	400	375	355	345

Total	High Frequency Specialties *				
Claim	N	o. of Years	of Years w/TDC (1) (2)		
Score	0 - 2	3 - 4	5 - 6	7 & up	
3	75	50	30	20	
4	100	75	55	45	
5	125	100	80	70	
6	150	125	105	95	
7	175	150	130	120	
8	200	175	155	145	
9	225	200	180	170	
10	250	225	205	195	
11	275	250	230	220	
12	300	275	255	245	
13	325	300	280	270	
14	350	325	305	295	
15	375	350	330	320	

<sup>(1)</sup> As of Review Date.

<sup>(2)</sup> Add 25 points for each Total Claim Score above 15.

<sup>\*</sup> Emergency Medicine, General Surgery, Gynecology, Neurosurgery, Obstetrics & Gynecology, Oral Surgeons, Orthopedic Surgery, Otolaryngology (Major with Facial Plastic), Plastic Surgery, Thoracic Surgery and Urology

# **Points Evaluation Worksheet**

Insured:	Policy #:	
Renewal Date:	Evaluation Date:	
<u>Criteria</u>	<u>Points</u>	
Claims		
Drug or Alcohol Impairment-H	ealth	
Government Agency Actions		
Inappropriate Patient Contact		
Medical Education		
Informed Consent		
Privileges - Any State		
Procedures		
Patient Safety/Risk Manageme	nt	
Gaps In Medical Practice		
Payment History Coverage		
Other		
TOTAL POINTS		
Ranges & Surcharges  0 to 50 points-No surcharge 131 to 170 points-40% surcharge 251 to 280 points-70% surcharge 326 to 350 points-100% surcharge 391 to 410 points-175% surcharge 451 to 470 points-250% surcharge 511 to 530 points-325% surcharge 571 to 590 points-400% surcharge Comments:	51 to 90 points-20% surcharge 171 to 210 points-50% surcharge 281 to 300 points-80% surcharge 351 to 370 points-125% surcharge 411 to 430 points-200% surcharge 471 to 490 points-275% surcharge 531 to 550 points-350% surcharge 591 or more points-NON-RENEWNonrenew	91 to 130 points-30% surcharge 211 to 250 points-60% surcharge 301 to 325 points-90% surcharge 371 to 390 points-150% surcharge 431 to 450 points-225% surcharge 491 to 510 points-300% surcharge 551 to 570 points-375% surcharge
Completed by:	Approved by:	

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

# **Supporting Document Schedules**

Item Status: Status

Date:

Satisfied - Item: Prior Approval Rate Application

Comments: Attachments:

Prior Approval Rate Application.xls

Prior Approval Rate Template-No Variance.xls

Prior Approval Rate Template-Variance 1B Only.xls

Prior Approval Rate Template-Variance 3 Only.xls

Prior Approval Rate Application.pdf

Prior Approval Rate Template-No Variance.pdf

Prior Approval Rate Template-Variance 1B Only.pdf Prior Approval Rate Template-Variance 3 Only.pdf

Item Status: Status

Date:

Satisfied - Item: Actuarial Memorandum (Including

Exhibits 1-19)

Comments:

Attachment:

Actuarial Memorandum.pdf

Item Status: Status

Date:

Satisfied - Item: Exhibit 20-Rules Changes

Comments:

Attachment:

Exhibit 20-Rules Changes.pdf

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Application.xls" is not a PDF document and cannot be reproduced here.

 SERFF Tracking Number:
 DCTR-127278060
 State:
 California

 Filing Company:
 The Doctors Company, an Interinsurance
 State Tracking Number:
 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Template-No Variance.xls" is not a PDF document and cannot be reproduced here.

 SERFF Tracking Number:
 DCTR-127278060
 State:
 California

 Filing Company:
 The Doctors Company, an Interinsurance
 State Tracking Number:
 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Template-Variance 1B Only.xls" is not a PDF document and cannot be reproduced here.

SERFF Tracking Number: DCTR-127278060 State: California
Filing Company: The Doctors Company, an Interinsurance State Tracking Number: 11-5660

Exchange

Company Tracking Number: 2011-CA-02

TOI: 11.0 Medical Malpractice - Claims Sub-TOI: 11.0000 Med Mal Sub-TOI Combinations

Made/Occurrence

Product Name: Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability Insurance Program

Project Name/Number: California Rate and Rule Revision/

Attachment "Prior Approval Rate Template-Variance 3 Only.xls" is not a PDF document and cannot be reproduced here.

### PRIOR APPROVAL RATE APPLICATION

Completed by: Michael O'Donohue	Date: 6/30/2011	
Your File #: 2011-CA-02	<u> </u>	DEPARTMENT USE ONLY
( 15 Characters Maximum)  SERFF CD (plus 1 paper copy)	Paper (1 original plu	s 1 copy) Filing No.:
Does this filing include a variance request?	No 🔻	CEDEE No.
Is this a variance request submitted after the prior	approval application to which it applies?	SERFF No.: Date Filed:
If yes, provide the applicable CDI File Number:		Compliance Date:
Does this file contain group data?	-	Date Public Notified:
Note: Complete page 2 if this is a group filing		Deemer Date:
Is this a specialty filing?		Intake Analyst:
Latest applicable CDI file number in this line, subl 11-1563	ine and/or program:	Bureau & Senior:
Company Name The Doctors Company, an Inte	rinsurance Exchange	Group Filing: Yes □ No □  X-Reference No.:
NAIC Company Code 34495		Rate □ New Program □ Rule
Group Name Doctors Company Insurance		
NAIC Group Code 831		□ Form □ Variance% Change
Organized under the Laws of the State of	California	
Line Type COMMERC ▼		Line of Insurance: MEDICAL MALPRACTICE
Subline Physicians, Surgeons and Ancillary H	ealthcare Providers Professional Liability	Program Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability
Home Office 185 Greenwood Road, Napa, Calif	ornia 94558	
Name and Title of Contact Person Mi	chael O'Donohue	
Toll Free Phone No.: (800) 421-2368 Ext. 1318		Fax No.: <u>(707)</u> 226-0162
Email Address modonohue@thedoctors.com		
Mailing Address P.O. Box 2900, Napa, Californ	ia 94558	
I declare under penalty of perjury under the laws	of the State of California, that the information	n filed is true, complete, and correct.
Michael O'Donohue  Authorized Signature	June 30, 2011  Date of Filing	(800) 421-2368 Ext. 1318  Telephone Number

Important note: Refer to CDI website at http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/for the most current rate template and prior approval factors.

### INSURER GROUP MULTI-COMPANY FILING

For private passenger auto insurance <u>only</u> , does CIC, If yes, please complete (Super Group) Exhibit 19.	1861.16(c) apply? No ▼		
List each insurance company in alphabetical order.			
Company Name	CDI Filing No.		
NAIC Company Code		( Department use only )	
Company Name			
NAIC Company Code		( Department use only )	
- N			
Company Name	CDI Filing No.	( Department use only )	
NAIC Company Code		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
Company Name	CDI Filing No.		
NAIC Company Code		( Department use only )	
Company Name	CDI Filing No.	/ Description and was such a	
NAIC Company Code		( Department use only )	
^N			
Company Name	CDI Filing No.	( Department use only )	
NAIC Company Code			
Company Name			
NAIC Company Code		( Department use only )	
Company Name	CDI Filing No.		
NAIC Company Code		( Department use only )	
Company Name	CDI Filing No.		
NAIC Company Code		( Department use only )	
1.,,			
Company Name	CDI Filing No.		
NAIC Company Code		( Department use only )	

**STATE OF CALIFORNIA DEPARTMENT OF INSURANCE (CDI)** 

Line of Insurance:

Company Name: Doctors Company, an Interinsurance Exchange ine of Insurance: MEDICAL MALPRACTICE

Edition Date: 4/4/2011

## PROPERTY AND LIABILITY FILING SUBMISSION DATA SHEET

The pu	rpose of th	nis filing is as follows: (More than one may be marked)	
TYPE (	OF FILING		PRIOR APPROVAL RATE APPLICATION PAGES and EXHIBITS REQUIRED
		ogram (Including adoption of advisory organization loss costs, and rules.)	Pages 1 through 7, 10, 12, 13 & 14, plus exhibit 17
<b>⊡</b>	Rates (	Including adoption of advisory organization loss costs.)	
		Increase rates	Pages 1 through 10, 13 & 14, plus exhibits
	V	Decrease rate	Pages 1 through 10, 13 & 14, plus exhibits
		Zero Overall rate impact	Pages 1 through 10, 13 & 14, plus exhibits
<b></b> ✓	] Variance	е	
	V	Filed together with the prior approval application to which it applies.	Page 11 and exhibit 13
		Filed after the prior approval application to which it applies.	Pages 1 through 6, 11, plus exhibit 13
	] Coveraç	ge Forms ( Including adoption of advisory organization forms. )	
		With rate impact	Pages 1 through 10, 12a, 13 & 14 plus exhibits
		Without rate impact	Pages 1 through 5, 12a
v	Rules (	Including adoption of advisory organization rules.)	
	V	With rate impact	Pages 1 through 10, 12b, 13 & 14 plus exhibits
		Without rate impact	Pages 1 through 5, 12b, Exhibit 20

All Private Passenger Automobile class plans must be filed separately from the Prior Approval Rate Applications.

Edition Date: 4/4/2011

Company Name: The Doctors Company, an Interinsuran Line of Insurance: MEDICAL MALPRACTICE

## PROPERTY AND LIABILITY FILING SUBMISSION DATA SHEET (Continued)

Proposed Earned Premium Per Exposure: \$ 9,333.96

Proposed Overall Rate Change -7.31%

	COVERAGE*	INDICATED CHANGE (%)	PROPOSED CHANGE (%)	ADJUSTED EARNED PREMIUM*	PROJECTED EARNED PREMIUM
1.	Medical Professional Liability	-7.31%	-7.31%	210,716,503	195,313,127
2.					
3.					
4.					
5.					
6.					
7.					
8.					
9.					
10.					
	TOTAL:	-7.31%	-7.31%	210,716,503	195,313,127

Total earned premium must include all income derived from miscellaneous fees and other charges.

<sup>\*</sup> Commercial Auto Liability and Physical damage must be combined in one application, with separate rate templates for liability and physical damage.

<sup>\*</sup> Adjusted earned premium is the historical earned premium for the most recent year adjusted to the current rate level and trended to the average date of loss of the proposed rating period.

Company Name: The Doctors Company, an Interinsurance ExLine of Insurance: MEDICAL MALPRACTICE

	FILING CHECKLIST
Use thi	s checklist to assemble a complete application
✓	Prior Approval Rate Application, Page 1
✓	Group Filing, Page 2
✓	Property and Liability Filing Submission Data Sheet, Page 3
✓	Property and Liability Filing Submission Data Sheet, Page 4
V	Filing Checklist, Page 5
✓	Supporting Data Exhibits, Page 6
✓	Ratemaking Data and Template (s), Page 7
☑	Reconciliation of Direct Earned Premium, Page 8
✓	Additional Data Required by Statute, Page 9
✓	Miscellaneous Fees and Other Charges, Page 10
✓	Variance Request, Page 11
✓	Forms and Rules, Page 12
✓	Excluded Expenses, Page 13
☑	Projected Yield and Federal Income Tax Rate on Investment Income, Page 14
✓	Filing Memorandum/Actuarial Memorandum
See the p	rior approval rate filing instructions regarding the following attachments.
✓	Printed Rate and Rule Manual Pages
	Underwriting Rules
	Forms (Attach all independent forms and list all advisory organization forms)
	Copies of Reinsurance Agreements ( Applies only to Medical Malpractice with facultative reinsurance attachment points above one million dollars and

Earthquake, where the cost of reinsurance is included in the rate development.)

Company Name: The Doctors Company, an Interinsurance Exchanç Line of Insurance: MEDICAL MALPRACTICE

### **SUPPORTING DATA EXHIBITS**

## Use this document to assemble a complete application

✓	Exhibit 1:	Filing History
✓	Exhibit 2:	Rate Level History
✓	Exhibit 3:	Policy Term Distribution
✓	Exhibit 4:	Premium Adjustment Factor
✓	Exhibit 5:	Premium Trend Factor
V	Exhibit 6:	Miscellaneous Fees and Other Charges
✓	Exhibit 7:	Loss and Defense & Cost Containment Expense ( DCCE ) Development Factors
V	Exhibit 8:	Loss and DCCE Trend
V	Exhibit 9:	Catastrophe Adjustment
V	Exhibit 10:	Credibility Adjustment
V	Exhibit 11:	Ancillary Income
✓	Exhibit 12:	Reinsurance Premium and Recoverables
✓	Exhibit 13:	Variance
✓	Exhibit 14:	Insurer's Ratemaking Calculations
V	Exhibit 15:	Rate Distribution
✓	Exhibit 16:	Rate Classification Relativities
V	Exhibit 17:	New Program
V	Exhibit 18:	Group Filing
V	Exhibit 19:	Super Group Corporate Structure Verification (PPA only)
✓	Exhibit 20:	Rules
	Exhibit 21:	

DATEMAKING DATA				
RATEMAKING DATA (Click + to expand for more than 3 years; - to contract)				
Completed by	Michael O'Donohue	Э		
Date Completed	6/30/2011			
Company/Group	4	any, an Interinsura		
Line Description			▼	1
Coverage	%Captive	Professional Liabilit %Direct	%Independent	(Must add up to 100%)
Marketing System:		49.77%	28.94%	(Widst add up to 100%)
Prior Effective Date (current rates)				
Proposed Effective Date (new rates)				
CDI File Number (Department use only)	0			
Does the data provided below reflect a Request for Variance?	Yes 🔻	Variance #:	1B, 3	
Data below is:	Report Year Data (Clair	ms Made policies only)	▼	
		3,		
	2nd Dries V	1ot Delea Vee	Most Recent	Projected*/ New
	2nd Prior Year 2008	1st Prior Year 2009	<b>Year</b> 2010	Program**
1 California Direct Written Premium	260,830,726	218,485,860	210,559,288	
2 California Direct Earned Premium	251,959,006	227,539,159	210,716,503	
3 Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4 Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	
		1.000	1.000	
5 Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-	
6 Earned Exposure Units	21,877	21,400	20,925	
7 Historic Losses (Projected for New Programs)	68,247,510	81,452,184	78,725,022	
8 Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9 Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10 DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167	
· · · · · · · · · · · · · · · · · · ·				
11 Loss Trend Factor* (Developed in Exhibit 8)	1.118	1.090	1.064	2.50%
12 DCCE Trend Factor* (Developed in Exhibit 8)	1.300	1.226	1.157	6.00%
13 Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	
14 Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.00%
15 Excluded Expense Factor (From Page 13)				0.83%
16 Ancillary Income (Developed in Exhibit 11)	_		-	
				00.000
17 Projected Federal Income Tax Rate on Investment Income (From Page 14)				26.60%
18 Projected Yield (From Page 14)				4.50%
Complete 19, 20 & 21 For Earthquake and certain Medical Malpractice with Reinsurance Only (see instructions)  Direct Commissions				
20 Reinsurance Premium (Developed in Exhibit 12)				
21 Reinsurance Recoverables (Developed in Exhibit 12)				<u> </u>
Zanas i zanas				
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)				Yes 🔻
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to CDI approval)				
For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.  **				
For New Programs, please see Rate Filing Instructions, Page 4.				

Company Name Line of Insurance The Doctors Company, an MEDICAL MALPRACTICE

# STATUTORY PAGE 14 CALENDAR YEAR DATA RECONCILIATION OF DIRECT EARNED PREMIUM DATA PER PROGRAM

	Program	Most Recent CDI File #		2nd Prior Year 2008		1st Prior Year 2009		Most Recent Year
	riogram	ODITILE#		2000		2009		2010
1	Physicians & Surgeons	11-1563	\$	259,336,445	\$	229,814,413	\$	210,812,263
2	Hospitals & Facilities	02-4411	\$	5,264,816	\$	4,796,221	\$	6,073,665
3								
4			\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>
5			\$	<u>-</u>	\$		\$	<u>-</u>
6.			\$	<u>-</u>	\$	<u>-</u>	\$	<u>-</u>
7.			\$	_	\$	_	\$	_
8.					\$	_	\$	_
0		-	Ψ		Ψ		Ψ	
9			\$	<u>-</u>	\$	-	\$	<u> </u>
10		<del>-</del>	\$		\$		\$	
		TOTAL	\$	264,601,261	\$	234,610,634	\$	216,885,928
		Statutory						
		Page 14	\$	264,570,620	\$	204,991,275	\$	216,885,928
		Difference	\$	30,641	\$	29,619,359	\$	-

### Explain the Differences:

The difference between the Physician and Surgeon earned premium in the reconciliation and that displayed in the ratemaking tab is paid dividends of \$7,377,439 for calendar year 2008, \$2,275,254 for calendar year 2009, and \$95,760 for calendar year 2010. DD&R reserves increased by \$30,641 for SCPIE/AHI in calendar year 2008 leading to the \$30,641 discrepancy above. DD&R reserves decreased by \$5,380,641 for SCPIE/AHI and increased by \$35,000,000 for TDC in calendar year 2009 resulting in the net discrepancy of \$29,619,359 shown above.

This exhibit requires insurers to itemize <u>each</u> program until all data is reconciled to the corresponding annual statement line of insurance (Statutory Page 14).

For residual market data, a filing number is not required.

### Company Name: ctors Company, an Interinsurance Exc Line of Insurance: MEDICAL MALPRACTICE

### **ADDITIONAL DATA REQUIRED BY STATUTE\*** Calendar Year Year 2010 **DATA** 1. Number of claims outstanding at beginning of year 2436 2. Number of claims during the year 2009 3. Number of claims closed during the year 2089 4. Number of claims outstanding at year's end ((1) + (2) - (3)) 2356 **Unearned Premiums** 5. 60,053,606 6. Dollar amount of claims paid 56,350,187 7. Net loss reserves for outstanding claims excluding claims incurred but not reported 180,860,964 8. Net loss reserves for claims incurred but not reported 65,914,768 9. Losses incurred as a percentage of premiums earned - including IBNR 17.30% 10. Net investment gain or loss and other income or gain or loss allocated to the line. 88,333,908 11. Net income before federal and foreign income taxes (line 10 plus line 15) 171,882,106 12. Total number of policies in force on the last day of the reporting period 21280 13. Total number of policies cancelled 2938 14. Total number of policies non-renewed 347 15. Net underwriting gain or loss 83,548,198 ( =CY earned premiums minus CY incurred loss minus CY incurred expense ) 16. Separate allocations of expenses for: a) commissions and brokerage expense, 10,025,593 b) other acquisition costs, 3,006,554 c) general office expenses, 3,303,719 d) taxes, licenses and fees, 5,230,893 e) loss adjustment expense ( DCCE & AOE ), and 57,176,337 f) other expenses

**STATE OF CALIFORNIA DEPARTMENT OF INSURANCE (CDI)** Edition Date: 4/4/2011 Company Name: The Doctors Company, an Interinsurance

No -

Line of Insurance: MEDICAL MALPRACTICE

# **MISCELLANEOUS FEES AND OTHER CHARGES**

Do any fees or installment finance charges apply to this program? If yes, identify the fee and the amount charged for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of fee and the amount charges for each type of	No ▼ for each transaction.					
	INDIVIDUAL POLICY CHARGES					
	New Business	Renewals				
Policy fee						
Installment fee						
Installment finance charges ( ancillary income )	APR					
Endorsement fee						
Inspection fee						
Cancellation fee						
Reinstatement fee						
Late fee						
SR 22						
Non-sufficient funds ( NSF ) fee ( ancillary income )						
Membership dues ( ancillary income )						
Other, specify:						

Except for installment finance charges, NSF fees, and membership dues, data relating to fees must be included in the ratemaking data, Page 7, Line 2 (direct earned premium) or Line 5 (miscellaneous fees) and Exhibit 6, miscellaneous fees, must be completed. Refer to the instructions for additional information.

4/4/2011

Company Name: The Doctors Company, an Interinsurance Exchange Line of Insurance: MEDICAL MALPRACTICE

### REQUEST FOR VARIANCE

1.	Identify each	variance rec	quested.		((See below (F))	
2.	Identify the e	extent or amo	ount of the variance	requested a	nd the applicable component of the ratemaking formula. [ Co	omplete Exhibit 13 ]
3.	Set forth the is denied. [ C			e maximum	and minimum permitted earned premium that the granting of	the variance will have as compared to the expected result if the variance
4.  IDENTIFY	formula. (Co	mplete Exhil	bit 13)		ing the variance request and provide the documentation support	orting the amount of the change to the component of the ratemaking
Ma			ange % Excluding Per Template)	Variance	-11.85%	
	1.	Ø	Relief from	the efficienc	y standard for bona fide loss-prevention and loss reduction ac	tivities.
			A. B.		Allocated cost for SIU. Expenses for loss prevention programs.	
			Maxir		ted Rate Change % With Only This Variance Change At Max Per Template)	-10.54%
	2.		Relief from	the efficienc	y standard due to any of the following:	
			A. B. C.	_ 	Higher quality of service, as demonstrated by objective Demonstrated superior service to underserved commun Significantly smaller or larger than average California	nities ( CCR 2646.6 ); or
			Maxir		ted Rate Change % With Only This Variance	
	3.	Ø	of its direct	earned premi		o section 2644.17 on the basis that the insurer either writes at least 90% nium in California, and its mix of business presents investment risks
			Maxir		ted Rate Change % With Only This Variance Change At Max Per Template)	-8.67%
	4.	0			the efficiency standard for a line of insurance in which the insubstantial investment in order to enter the market.	surer has never written over \$1 million in earned premium annually and
			Maxir		ted Rate Change % With Only This Variance	
	5.			m permitted	change At Max Per Template) earned premium should be lower on the basis of the insurer's to its solvency.	certification that the rate will not cause the insurer's financial condition
	6.		The insurer's	s financial co	ondition is such that its maximum permitted earned premium s	should be increased in order to protect solvency.
			Maxir		ted Rate Change % With Only This Variance Change At Max Per Template)	
	7.		The loss dev	elopment fo	rmula in CCR 2644.6 does not produce an actuarially sound re	esult because:
			A. B. C.	0	There is not enough data to be credible There is not enough years of data to fully calculate the There are changes in the insurer's reserving or claims of	•
			D. E. F.	0	There are changes in coverage or other policy terms th There are changes in the law that significantly affect th There is a significant increase or decrease in the amou	
				num Permit	ted Rate Change % With Only This Variance Change At Max Per Template)	

8.		The trend for	nula in CCR 264	14.7 does not produce the most an actuarially sound result because:
		A.		There is a significant increase/decrease in the amount of business written or changes in the mix of business:
		B.		There are not enough years of data to calculate the trend factor;
		C		There is a significant change in the law affecting frequency or severity of claims;
		D	0	It can be shown that a trend calculated over a period of at least 4 quarters other than a period permitted pursuant to section 2644.7(b) is more reliable prospectively.
		E.		There are changes in the insurer's claims closing practices that significantly affect the data; or,
		F.	0	There are changes in coverage or other policy terms that significantly affect the data.
		Maxim		tate Change % With Only This Variance ge At Max Per Template)
9.		The maximur	n permitted earne	ed premium would be confiscatory if applied.
		Maxim		tate Change % With Only This Variance ge At Max Per Template)
Overall Maximum Per	mitted Rate Change (	<u>%</u>		<u>-7.31%</u>
Not withstanding any of efficiency standard for a insurer's most recent yea expenses and the efficien	all variances combined ar total expense ratio ex	shall not excee	ed the difference	between the Most Recent

4/4/2011

Company Name: Line of Insurance: The Doctors Company, an MEDICAL MALPRACTICE

### **FORMS**

Insurers who wish to use a new or replacement form in connection with a new or existing program <u>must</u> furnish the following information and documentation for our review. Revisions must be highlighted and the corresponding manual pages must be provided.

revisions	FORM NO.	TITLE	<u>TYPE</u>	<u>SOURCE</u>	SOURCE FORM NO *	CATEGORY	Coverage	Broadens Coverage [ Yes/ No ]	Impact	%	Flat <u>Rate</u>
1] New:											
Old:											
2] New:											
Old:											
3] New:											
Old:											
5] New:											
Old:											

### REQUIRED RESPONSES FOR THE ITEMS ABOVE

TYPE: SOURCE CATEGORY

- 1) Application
- 2) Endorsement
- 3) Policy
- 4) Other (Please define)

- 1) ISO\*
- 2) Other Advisory Organization\*
- Company
- 4) Other (describe)

- 1) New, mandatory
- 2) New, optional
- 3) Replacement, mandatory
- 4) Replacement, optional
- 5) Withdrawn, mandatory
- 6) Withdrawn, optional

### Additional Information and Documents Required

Describe the purpose of the form or form change

For **NEW FORMS**, furnish a copy of the form to be filed, <u>unless</u> identical to an advisory organization form. If the form is a new endorsement to the policy, describe any changes in coverage under the policy. Describe what adjustments, if any, will be made to the premium due to the introduction of the forms.

For **REVISED FORMS**, describe any changes in coverages between the proposed form and the current form. Reference pertinent sections of each form affected. Brackets [] should be used to identify any deletions on the current form and underline all changes in the revised form. Describe what adjustments, if any, will be made to the premium due to the revisions.

<sup>\*</sup> Provide California Dept. of Insurance number ( CDI# ) under the column identified as Source Form No.

Company Name: Line of Insurance: The Doctors MEDICAL

# **RULES**

Insurers wishing to make a rule change filing must provide the following information. Exhibit 20 may be completed to provide additional information.

Identify t	he option(s) that applies.						
	Introducing a new rule Revising an existing rule Adopting an approved Advisory Organization rule Withdrawing an approved rule						
Use the t	following as a checklist to provide the required information.						
If introdu	cing a new rule or revising an existing rule, provide:						
The purpose for the rule or an explanation for revising an existing rule							
	A copy of the current and proposed manual page corresponding to the rule						
	The charge for the rule. Support or justify the charge and provide the rate or premium development method.						
	The rate impact of the rule to the current book of business, showing the calculation.						
	Advise if the rule is: Optional ☐ Mandatory ☐						
If withdra	awing an approved rule, provide:						
	An explanation for withdrawing the rule						
	A copy of the current and proposed manual page(s) corresponding to the withdrawn rule						
	The rate impact of the withdrawn rule to the current book of business						
•	If adopting an approved Advisory Organization rule(s), specify the approved CDI filing number(s) of the AO rule(s):						
Insurer C	Comments:						

Total Excessive Executive Comp: 4,556,284

# **EXCLUDED EXPENSE FACTOR**

(Insurer Group Data)

Company Organi	zation: Recipr	ocal 🔻	(Enter Year)	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
Countrywide direct	t earned premiu	m:		683,428,000	598,346,000	702,507,000
Countrywide director Proposition 103	•	m for lines of bu	ısiness subject	680,323,000	597,348,000	701,926,000
2644.10 (b): Exec	utive Compens	sation				
2nd Prior Year 1st Prior Year 2008 2009					Most Red	
	Cash & Salary	Bonus	Cash & Salary	Bonus	Cash & Salary	Bonus
1st Highest Paid	807,781	1,223,012	937,090	1,360,380	901,600	1,600,409
2nd Highest Paid	817,757	196,921	1,420,823	0	545,274	728,773
3rd Highest Paid	514,404	486,159	514,404	518,150	528,312	609,022
4th Highest Paid	498,402	459,514	498,402	440,314	471,072	549,202
5th Highest Paid	444,402	413,488	444,402	407,495	335,004	342,214
	2nd Pri 20		1st Prio	or Year 09	Most Rec 20	
	Max Permissible	Excessive	Max Permissible	Excessive	Max Permissible	Excessive
	Exc Comp	Compensation	Exc Comp	Compensation	Exc Comp	Compensation
1st Highest Paid	438,832	1,591,961	416,259	1,881,211	444,437	2,057,572
2nd Highest Paid	272,166	742,512	260,087	1,160,736	275,151	998,896
3rd Highest Paid	221,469	779,094	210,734	821,820	224,129	913,205
4th Highest Paid	196,484	761,432	187,545	751,171	198,695	821,579
5th Highest Paid	176,606	681,284	168,922	682,975	178,504	498,714
		4 550 004		<b>5</b> 00 <b>7</b> 040		<b>5</b> 000 005

5,297,913

5,289,965

# **Excluded Expense Factor**

Countrywide Data	2nd Prior Year 2008	1st Prior Year 2009	Most Recent Year 2010
2644.10 (a): Political contribution and lobbying	300,372	405,418	331,308
2644.10 (b): Excessive Executive Compensation	4,556,284	5,297,913	5,289,965
2644.10 (c): Bad faith judgments and associated DCCE	0	0	0
2644.10 (d): All costs for unsuccessful defense of discrimination claims	0	0	0
2644.10 (e): Fines and penalties	8,338	4,924	67,769
2644.10 (f): Institution advertising expenses	0	0	0
2644.10 (g): Excessive payments to affiliates	0	0	0
Total excluded expenses	4,864,994	5,708,255	5,689,042
Excluded expense factor	0.71%	0.95%	0.81%

3-year average excluded expense factor

0.83%

Company Name: The Doctors Company, an Interinsurance Excha

Line of Insurance: MEDICAL MALPRACTICE

### PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

		Short Term Assets	Intermediate Term Assets Over 1 yr Over 5 yrs		Ass	Term sets	
Line	number	One year or less	through 5 yrs	through 10 yrs	Over 10 yrs through 20 yrs	Over 20 yrs	
1.7	US governments	63,163,198	186,082,142	38,822,102	3,800,505	15,186,788	
2.7	All other governments		2,458,461		1,944,676		
3.7	States, territories and possessions	11,596,510	131,341,446	65,490,250	13,587,116	1,098,063	
4.7	Political subdivisions	519,991	111,637,906	113,771,319	4,072,940	16,425,031	
5.7	Special revenue and assessment obligations	88,399,511	375,498,901	332,330,358	58,199,984	69,703,874	
6.7	Public utilities unaffiliated	179,637,579	339,693,117	158,411,849	50,256,952	36,074,559	
7.7	Industrial and miscellaneous						
8.7	Credit tenant loans						
9.7	Parent, subsidiaries and affiliates						
		One year or less	Over 1 year thi	ough 10 years	Over 1	0 years	
(1)	US government bonds Sum of line 1.7 and 2.7	63,163,198		227,362,705		20,931,969	
	Other taxable bonds Sum of line 6.7, 7.7, 8.7, 9.7						
(2)	and half of 5.7	223,837,335		852,019,596		150,283,440	
	Tax exempt bonds Sum of line 3.7, 4.7, and						
(3)	half of 5.7	56,316,257		776,155,551	-	99,135,079	

Data on line 1.7 through 9.7 are from the insurer group's most recent consolidated statutory annual statement, schedule D, part 1A, section 1.

### PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

		Invested Assets [1]	Currently Available Yield * [2]	Return On Invested Assets [3]=[1]*[2]	Federal Income Tax Rate [4]	Federal Income Taxes [5]=[3]*[4]
(1)	US government bonds					
	(A) Short	63,163,198	0.07%	44,214	35.00%	15,475
	(B) Intermediate	227,362,705	3.35%	7,616,651	35.00%	2,665,828
	(C) Long	20,931,969	4.19%	877,050	35.00%	306,967
(2)	Other taxable bonds					
	(A) Short	223,837,335	0.21%	470,058	35.00%	164,520
	(B) Intermediate	852,019,596	4.43%	37,744,468	35.00%	13,210,564
	(C) Long	150,283,440	5.29%	7,949,994	35.00%	2,782,498
(3)	Tax exempt bonds					
	(A) Short	56,316,257	0.14%	78,843	5.25%	4,139
	(B) Intermediate	776,155,551	3.39%	26,311,673	5.25%	1,381,363
	(C) Long	99,135,079	5.14%	5,095,543	5.25%	267,516
(4)	Common Stock	528,354,090				
	(A) Dividends		1.65%	8,717,842	14.18%	1,235,754
	(B) Capital gains		8.44%	44,593,085	34.10%	15,206,242
(5)	Preferred stock	16,179,127				
	dividends		5.72%	925,446	14.18%	131,182
(6)	Mortgage loans	78,786,048	5.29%	4,167,782	35.00%	1,458,724
(7)	Real estate	19,946,250	4.09%	815,802	35.00%	285,531
(8)	Cash**	28,829,783	0.07%	20,181	35.00%	7,063
(9)	Other***	154,168,934				
	(A) Dividends		1.65%	2,543,787	14.18%	360,582
	(B) Capital gains		8.44%	13,011,858	34.10%	4,437,044
(10)	Total					
	Sum of line (1) thru (9)	3,295,469,360		160,984,277		43,920,991

Data in column [1], line 4 through (9), are from the insurer group's most recent consolidated statutory annual statement page 2 - Assets.

Page 14b

<sup>\*</sup> Currently available yields are defined in CCR §2644.20. Latest values are posted at <a href="http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/0200-prior-approval-factors/">http://www.insurance.ca.gov/0250-insurers/0800-rate-filings/0200-prior-approval-factors/</a>

<sup>\*\*</sup> Annual statement page 2, line 5, cash only. Cash equivalents and short-term investments are included in Schedule D.

<sup>\*\*\*</sup> Annual statement page 2, line 6 through 9.

## PROJECTED YIELD AND FEDERAL INCOME TAX RATE ON INVESTMENT INCOME

		Invested Assets [1]	Currently Available Yield [2]	Return On Invested Assets [3]=[1]*[2]	Federal Income Tax Rate [4]	Federal Income Taxes [5]=[3]*[4]
(10)	Total	3,295,469,360		160,984,277		43,920,991
(11)	line (10) exhibit 13, page 2 Investment expense			13,092,652	35.00%	4,582,428
,	Annual Statement (AS) page 11, line 25					· · ·
(12)	Total after investment expense	3,295,469,360		147,891,625		39,338,563
(13)	line (10) - line (11) Federal income tax rate line (12)					
	column [5] / column [3]				26.60%	
(14)	Projected yield on invested assets line (12) column [3] / column [1]		4.49%			
		Most Recent Year				
(15)	Loss reserves AS page 3, line 1	1,086,780,645				
(16)	Loss adjustment expense reserves	514,205,074				
(17)	AS page 3, line 3 Unearned premium reserves	411,578,874				
(18)	AS page 3, line 9 Surplus as regards to policyholders	1,276,236,952				
(19)	AS page 3, line 35 Total reserves and	3,288,801,545				
	surplus Sum of line (15) to (18)					
(20)	Projected yield adjusted to reserve and sur line (14) * line (12) / line (19		4.50%			
	, , , , , , ,	′				Daga 44a

VARIANCE: 1B, 3	RATE TEMPI		Edition Date:	4/4/2011	
CDI FILE NUMBER:	0	,			
COMPANY/GROUP:	The Doctors Company	, an Interinsuran	ce Exchange		
LINE OF INSURANCE:	MEDICAL MALPRACT	TICE (claims-mad	le)		
COVERAGE:	Professional Liability				
PRIOR_EFF_DATE:	1/1/2009			Michael O'Donohi	1e
PROPOSED_EFF_DATE:	1/1/2012		Date:	6/30/2011	
DATA PROVIDED BY FILER					
Year:	2008	2009	2010		
Tout.	2000	2000	2010	PROJECTED/	
	PRIOR2	PRIOR1	RECENT	SUMMARY	
WRT_PREM	260,830,726	218,485,860	210,559,288	689,875,875	
ERN_PREM	251,959,006	227,539,159	210,716,503	} <u>'</u>	
PREM ADJ	0.794	0.936	1.000		
PREM_TREND	1.000	1.000	1.000	0.000	
MISCELLANEOUS_FEES (& other flat charges) EARNED EXP	21,877	21,400	20,925	64,202	
LOSSES	68,247,510	81,452,184	78,725,022	228,424,716	
DCCE	59,649,298	47,476,295	32,858,602	139,984,195	
LOSS_DEV	0.873	0.739	0.778		
DCCE_DEV	1.094	1.322	2.167		
LOSS TREND	1.118	1.090	1.064	0.025	
DCCE TREND	1.300	1.226	1.157	0.060	
CAT_ADJ CREDIBILITY	1.000	1.000	1.000	100.00%	
EXPENSE EXCLUSION FACTOR				0.83%	
ANC INC	0	0	0		
FIT_INV				26.60%	
YIELD				4.50%	
					•
CDI PARAMETERS:					
FIT_UW				35.00%	
EFF_STANDARD				26.55%	
LEVERAGE PREMIUM TAX RATE			***************************************	0.50 2.35%	***************************************
SURPLUS RATIO				1.99	
UEP RES RATIO				0.42	
LOSS RES RATIO				4.21	
RISK FREE RATE OF RETURN				2.09%	May 2011
MAXIMUM RATE OF RETURN				8.09%	
MINIMUM RATE OF RETURN				-6.00%	
CDI CALCULATIONS:	200,022,978	212,961,531	210,716,503	623,701,012	
ADJ_PREM ADJUSTED LOSSES	66,602,841	65,592,373	65,148,420		
ADJUSTED DCCE	84,798,187	76,950,242	82,376,680	<u> </u>	
ADJUSTED LOSS+DCCE RATIO	75.69%	66.93%	70.01%		
TRENDED CURRENT RATE LEVEL PREMIUM	9143.04	9951.47	10070.31	9714.72	
LOSS+DCCE_PER_EXP	6920.53	6660.87	7050.34	<u> </u>	
COMP_LOSS+DCCE_PER_EXP	7630.50	8305.20	8404.38		
CRED_LOSS_PER_EXP	6920.53	6660.87	7050.34		
ANC_INC_PER_EXP FIXED INV INC FACTOR	0.00	0.00	0.00	21.38%	
VAR INV INC FACTOR				12.23%	
ANNUAL NET TREND				2.50%	
COMP_TREND				7.68%	
MAX_PROFIT				24.74%	
MIN_PROFIT				-18.36%	
UW_PROFIT	-			-4.06% 0.609	
MAX_DENOM MIN DENOM				1.040	
MAX PREMIUM				\$8,872.40	
MIN_PREMIUM				\$5,196.63	
CHANGE_AT_MIN				-46.51%	
CHANGE_AT_MAX				-8.67%	
Alternate Calculation with Reinsurance					
COMMISSION_RATE				0.00%	
RE_PREM		-	-	0	
RE_RECOV RE_PREM_PER_EXP	0.00	0.00	0.00		
RE RECOV PER EXP	0.00	0.00	0.00		
COMP LOSS RE	7630.50	8305.20	8404.38	<u> </u>	
RMAX_PREMIUM		<u> </u>		NA	
RCHANGE_AT_MAX				NA	

Blended Captive Direct Indep ES: 27.38% 24.18% 25.38% 33.17%

## **EFFICIENCY STANDARD TABLE**

SOURCE: 2007 - 2009 ROLLING AVG

DATE DEV	ISED:	2/10/2011	
	_		Inden Line Departmen
Line	Captive		Indep Line Description
1.0		19.17%	32.04% FIRE
2.1		20.08%	
3.0	33.24%		33.53% FARMOWNERS MULTIPLE PERIL
4.0	36.21%		37.12% HOMEOWNERS MULTIPLE PERIL
5.0	34.65%		38.18% COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%		37.12% COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69% COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76% INLAND MARINE
11.0	24.18%	25.38%	33.17% MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17% MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17% MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90% EARTHQUAKE
17.0	32.55%	26.99%	30.50% OTHER LIABILITY
17.1	32.55%	26.99%	30.50% OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50% OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36% PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36% PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36% PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40% PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39% COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01% PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30% COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57% AIRCRAFT
23.0	33.45%	46.91%	32.18% FIDELITY
24.0	43.84%	43.84%	43.84% SURETY
26.0	30.37%	30.37%	30.37% BURGLARY & THEFT
27.0	36.00%	27.67%	39.23% BOILER & MACHINERY

I FVFRAG	E RATIO	ΓΔΒΙ Ε
		regates and Averages, 2010 Edition
DATE RE\		10/15/2010
Line	LF	Line Description
1.0	1.2239	•
2.1	1.2232	Allied Lines
3.0		Farmowners
4.0	1.2665	Homeowners
5.1	1.2062	CMP - NL
5.2	0.5704	CMP - Liab.
5.0	0.8614	CMP
9.0		Inland Marine
11.1	0.3440	Med. Mal. Occ.
11.2	0.5916	Med. Mal. cm.
11.0	0.5096	Med. Mal.
12.0	1.0000	Earthquake
17.1		O. Liab. Occ.
17.2	0.5835	O. Liab. cm.
17.0		O. Liab.
18.1		Products - Occ.
18.2		Products - cm.
18.0		Products
19.2		PP Auto Liab.
19.4		C. Auto Liab.
21.1		PP Auto PD
21.2		Comm Auto PD
22.0		Aircraft
23.0	0.8986	
24.0	0.9888	,
26.0	1.2363	5 ,
27.0	1.1762	Boiler & Mach.

RESERVES RATIO TABLE
SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

			Averages Troperty Casaaity, 2010 Eath
DATE REVI			
LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

# **Loss Cost Multiplier (LCM) Template Instructions**

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the filed line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

## **LCM TEMPLATE**

Edition Date: 4/4/2011 CDI FILE NUMBER: The Doctors Company, an Interinsurance Exchange COMPANY/GROUP: MEDICAL MALPRACTICE (claims-made) LINE OF INSURANCE: LINE CODE: **COVERAGE:** Professional Lia ADVISORY ORGANIZATION FILING INFORMATION For filings that include an adoption of Advisory Organization loss costs, complete lines 1.1, 1.2, and 1.3; for all other filings skip lines 1.1, 1.2 and 1.3, and go to line 2. 1.1 CDI Filing Number 1.2 Loss Cost Percent Change Approved for the Line or Coverage  $^{1.3}$  AOE or LAE Load Approved for the Line or Type of Load **Amount of Load** (LOSS+DCCE+AOE)/LOSS  $\blacksquare$ Coverage **COMPANY LCM INFORMATION** 2 If this is a New Program filing, skip lines 2.1 and 2.2 and review the Max\_Final LCM result on line 7; for all other filings complete lines 2.1 and 2.2. 2.1 Current Expense Based LCM 2.2 Current Loss Cost Modification Expressed as a Factor (see examples below) Example 1: If the company's loss cost modification is +15%, enter 1.15 Example 2: If the company's loss cost modification is -10%, enter 0.9 Example 3: If the company currently does not apply a loss cost modification factor, enter 1.0 Insurer's Current Final LCM (Line 2.1 \* Line 2.2) NA 4 Advisory Organization's AOE as a Percent of Loss and -1.000DCCE (Derived from Line 1.3 and the IncLoss&DCCE page) 5 Max Expense Based Loss Cost Multiplier N/A 6876.286777 6 Max\_Loss Cost Modification (Existing program only) N/A Max\_Loss Cost Modification for new program is 1.0

**#VALUE!** 

Max\_Final LCM (Line 5 \* Line 6)

# **INCURRED LOSS AND DCCE EXHIBIT**

Source: 2008 Edition of Best's Aggregates & Averages, Statement File Supplement - Insurance Expense Exhil

Revised:	2/17/2009		
Line	Line Description	INC LOSS	DCCE
1.0	FIRE	4,016,127	151,767
2.1	ALLIED LINES	3,394,918	216,167
3.0	FARM OWNERS MULTIPLE PERIL	1,473,328	55,438
4.0	HOMEOWNERS MULTIPLE PERIL	31,520,720	899,394
5.0	COMMERCIAL MULTIPLE PERIL (COMBINED)	15,043,900	3,062,099
5.1	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)	9,640,109	667,280
5.2	COMMERCIAL MULTIPLE PERIL(LIABILITY)	5,403,791	2,394,819
9.0	INLAND MARINE	5,314,416	125,783
11.0	MEDICAL MALPRACTICE (Combined)	4,334,271	2,067,254
11.1	MEDICAL MALPRACTICE (Occurrence)	4,334,271	2,067,254 *
11.2	MEDICAL MALPRACTICE (Claims-made)	4,334,271	2,067,254 *
12.0	EARTHQUAKE	-32,814	-2,659
17.0	OTHER LIABILITY (Combined)	27,204,022	7,099,766
17.1	OTHER LIABILITY (Occurrence)	27,204,022	7,099,766 *
17.2	OTHER LIABILITY (Claims-made)	27,204,022	7,099,766 *
18.0	PRODUCTS LIABILITY (Combined)	1,611,095	1,423,559
18.1	PRODUCTS LIABILITY (Occurrence)	1,611,095	1,423,559 *
18.2	PRODUCTS LIABILITY (Claims-made)	1,611,095	1,423,559 *
19.2	PRIVATE PASSENGER AUTO LIABILITY	61,960,518	3,457,812
19.4	COMMERCIAL AUTO LIABILITY	11,819,076	1,416,766
21.1	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE	38,742,126	223,827
21.2	COMMERCIAL AUTO PHYSICAL DAMAGE	3,674,613	72,844
22.0	AIRCRAFT	1,608,088	149,853
23.0	FIDELITY	476,389	39,573
24.0	SURETY	962,488	256,711
26.0	BURGLARY & THEFT	28,019	2,792
27.0	BOILER & MACHINERY	376,293	17,336
33	MISCELLANEOUS	2,087,451	26,788

<sup>\*</sup> line totals are used for occurrence and claims-made policies.

# <u>Instructions for completing Prior Approval Rate Template (stand alone):</u>

- \* A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. Use a multi-coverage template (PPA for personal auto) if more than one template is needed.
- \* Enter data in <u>lined boxes</u> on RateMakingData page <u>only</u> (Do not enter data directly in Template). For more than three years of data, click + button.
- \* Starting at the top of the page, enter the following data: Company or Group name; Line Description, selected from pull down list; Coverage; Marketing System (percentage of each syster used, totaling 100%); Prior Effective Date (of current rates); Proposed Effective Date (of proposed new rates); statistical period used; one or more years of appropriate data.
- \* Enter numerical data only; no comments please. (For inapplicable fields: 0 for \$ or %; 1.00 for factors)
- \* Source of data should be page 7 of the Prior Approval Rate Application; For explanation of data, see CDI Rate Filing Instructions.
- \* Enter Variance data, only if supported by Variance Request. Final decisions regarding variances will be made by CDI and/or administrative hearing.
- \* If you are filing Advisory Organization Loss Costs with a Loss Cost Multiplier, read the LCM Instructions tab and complete the LCM template.
- \* For results, see Template tab (Disregard Reinsurance indication if not applicable).

RATEMAKING DATA	Edition Date:	4/4/2011		
(Click + to expand for more than 3 years; - to contract)				
Completed by	Mike O'Donohue			
Date Completed	6/30/2011			
Company/Group				
		octors Company, ar	n Interinsurance Ex	change
Line Description	MEDICAL MALPRACTICE	(claims-made)		
Coverage	F	Professional Liability	/	
	%Captive	%Direct	%Independent	(Must add up to 100%)
Marketing System:	21.29%	49.77%	28.94%	
Prior Effective Date (current rates)	1/1/2009			
Proposed Effective Date (new rates)	1/1/2012			
CDI File Number (Department use only)				
Does the data provided below reflect a Request for Variance?	, No 🔻	Variance #:		
Data below is:	Report Year Data (Claim	ns Made policies only)	▼	
			Most Recent	Projected*/ New
	2nd Prior Year	1st Prior Year	Year	Program**
1 California Direct Written Premium	2008 260,830,726	2009 218,485,860	2010 210,559,288	
2 California Direct Written Premium	251,959,006	218,485,860	210,559,288	44.00.00
3 Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4 Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	
5 Miscellaneous Fees and Flat Charges (Not included in Line 2;	-	-	-	***************************************
Developed in Exhibit 6)				
6 Earned Exposure Units	21,877	21,400	20,925	
7 Historic Losses	68,247,510	81,452,184	78,725,022	
8 Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9 Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10 DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167	2.500/
11 Loss Trend Factor* (Developed in Exhibit 8) 12 DCCE Trend Factor* (Developed in Exhibit 8)	1.118 1.300	1.090 1.226	1.064 1.157	2.50% 6.00%
13 Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	0.00 /8
14 Credibility Factor for Losses & DCCE (Developed in Exhibit 10)	1.000	1.000	1.000	100.00%
15 Excluded Expense Factor (From Page 13 of Rate Application)				0.83%
16 Ancillary Income (Developed in Exhibit 11)	-	-	-	
17 Projected Federal Income Tax Rate on Investment Income (Developed in Exhibit 13)				26.60%
18 Projected Yield (Developed in Exhibit 13)				4.50%
Complete 19, 20 & 21 For Earthquake and certain Medical  Malpractice with Reinsurance Only (see instructions)  19 Direct Commissions				
20 Reinsurance Premium (Developed in Exhibit 14)				
21 Reinsurance Recoverables (Developed in Exhibit 14)				
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)  Variance Change to Efficiency Standard (Must be accompanied by				No 🔻
Variance Request, subject to approval by CDI)      For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.      For New Programs, please see Rate Filing Instructions, Page 4.				

	RATE TEM	PLATE	Edition Date:	4/4/2011	
CDI FILE NUMBER:	0				
COMPANY/GROUP:	The Doctors Compa	anv. an Interinsuran	ce Exchange		
LINE OF INSURANCE:	MEDICAL MALPRA				
COVERAGE:	Professional Liabilit	y			
PRIOR_EFF_DATE:	1/1/2009		Completed by:	Mike O'Donohue	
PROPOSED_EFF_DATE:	1/1/2012		Date:	6/30/2011	
DATA PROVIDED BY FILER					
Year:	2008	2009	2010	DDO IEOTED/	
	PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM	260,830,726	218,485,860	210,559,288		
ERN PREM	251,959,006	227,539,159	210,716,503		***************************************
PREM ADJ	0.794	0.936	1.000		
PREM TREND	1.000	1.000	1.000		
MISCELLANEOUS_FEES (& other flat charges)	0	0	0	0	
EARNED_EXP	21,877	21,400	20,925		
LOSSES	68,247,510	81,452,184	78,725,022		
DCCE	59,649,298	47,476,295	32,858,602	<del></del>	
LOSS_DEV	0.873	0.739	0.778		
DCCE_DEV	1.094	1.322	2.167		
LOSS_TREND DCCE TREND	1.118 1.300	1.090 1.226	1.064 1.157		
CAT ADJ	1.000	1.000	1.157		
CREDIBILITY	1.000	1.000	1.000	100.00%	
EXPENSE EXCLUSION FACTOR				0.83%	
ANC INC	0	0	0		
FIT_INV				26.60%	
YIELD				4.50%	
CDI PARAMETERS:					
FIT_UW				35.00%	
EFF_STANDARD				26.55%	
LEVERAGE				0.59	
PREMIUM_TAX_RATE SURPLUS RATIO				2.35% 1.69	
UEP RES RATIO				0.42	
LOSS RES RATIO				4.21	
RISK FREE RATE OF RETURN					May 2011
MAXIMUM RATE OF RETURN				8.09%	
MINIMUM RATE OF RETURN				-6.00%	
CDI CALCULATIONS:					
ADJ_PREM	200,022,978	212,961,531	210,716,503		
ADJUSTED_LOSSES	66,602,841	65,592,373	65,148,420		
ADJUSTED_DCCE	84,798,187	76,950,242	82,376,680		
ADJUSTED_LOSS+DCCE_RATIO	75.69%	66.93%	70.01%		
TRENDED_CURRENT_RATE_LEVEL_PREMIUM  LOSS+DCCE PER EXP	9143.04 6920.53	9951.47 6660.87	10070.31 7050.34		
COMP LOSS+DCCE PER EXP	7905.61	8604.63	8707.38		
CRED LOSS PER EXP	6920.53	6660.87	7050.34		
ANC INC PER EXP	0.00	0.00	0.00		
FIXED_INV_INC_FACTOR				21.38%	
VAR_INV_INC_FACTOR				10.72%	
ANNUAL_NET_TREND				2.50%	
COMP_TREND				7.68%	
MAX_PROFIT				21.03%	
MIN_PROFIT				-15.60%	
UW_PROFIT				-6.85%	
MAX_DENOM MIN DENOM				0.631 0.998	
MAX PREMIUM				\$8,563.65	
MIN PREMIUM				\$5,418.95	
CHANGE AT MIN				-44.22%	
CHANGE AT MAX				-11.85%	
	<u> </u>			11117	]
Alternate Calculation with Reinsurance					
COMMISSION RATE				0.00%	
RE_PREM	-	-	-	0	
RE_RECOV	-	-	-	0	
RE_PREM_PER_EXP	0.00	0.00	0.00		
RE_RECOV_PER_EXP	0.00	0.00	0.00		ļ
COMP_LOSS_RE	7905.61	8604.63	8707.38		
RMAX_PREMIUM				NA	
RCHANGE_AT_MAX				NA	

Blended Captive Direct Indep ES: 27.38% 24.18% 25.38% 33.17%

## **EFFICIENCY STANDARD TABLE**

SOURCE: 2007 - 2009 ROLLING AVG

		VOLLING AVG		
DATE REVI	ISED:	2/10/2011		
Line	Captive	Direct	Indep	Line Description
1.0	39.33%	19.17%	32.04%	FIRE
2.1	40.67%	20.08%	29.42%	ALLIED LINES
3.0	33.24%	43.08%	33.53%	FARMOWNERS MULTIPLE PERIL
4.0	36.21%	27.65%	37.12%	HOMEOWNERS MULTIPLE PERIL
5.0	34.65%	42.03%	38.18%	COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%	42.30%	37.12%	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69%	COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76%	INLAND MARINE
11.0	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90%	EARTHQUAKE
17.0	32.55%	26.99%	30.50%	OTHER LIABILITY
17.1	32.55%	26.99%	30.50%	OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE					
SOURCE: Bests Aggregates and Averages, 2010 Edition					
DATE RE\		10/15/2010			
Line	LF	Line Description			
1.0	1.2239	•			
2.1	1.2232	Allied Lines			
3.0		Farmowners			
4.0	1.2665	Homeowners			
5.1	1.2062	CMP - NL			
5.2	0.5704	CMP - Liab.			
5.0	0.8614	CMP			
9.0		Inland Marine			
11.1	0.3440	Med. Mal. Occ.			
11.2	0.5916	Med. Mal. cm.			
11.0	0.5096	Med. Mal.			
12.0	1.0000	Earthquake			
17.1		O. Liab. Occ.			
17.2	0.5835	O. Liab. cm.			
17.0		O. Liab.			
18.1		Products - Occ.			
18.2		Products - cm.			
18.0		Products			
19.2		PP Auto Liab.			
19.4		C. Auto Liab.			
21.1		PP Auto PD			
21.2		Comm Auto PD			
22.0		Aircraft			
23.0	0.8986				
24.0	0.9888	,			
26.0	1.2363	5 ,			
27.0	1.1762	Boiler & Mach.			

RESERVES RATIO TABLE
SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

			Averages - Property Casualty, 2010 Luit
	ISED:		Line Description
LINE	UEP	LOSS	Line Description
1	0.48	0.98	
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY
			<del></del>

#### **Loss Cost Multiplier (LCM) Template Instructions**

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the filed line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

# **LCM TEMPLATE**

Edition Date: 4/4/2011

	CDI FILE NUMBER: COMPANY/GROUP: LINE OF INSURANCE: LINE CODE: COVERAGE:	0 The Doctors Co MEDICAL MAL 11.2 Professional Lia	PRACTICE		surance Exchange s-made)
ΑD	VISORY ORGANIZATION FILING INFORMATION				
1	For filings that include an adoption of Advisory Organizator all other filings skip lines 1.1, 1.2 and 1.3, and go to li		complete I	ines 1	.1, 1.2, and 1.3;
	1.1 CDI Filing Number				
	1.2 Loss Cost Percent Change Approved for the Line or Coverage				
	1.3 AOE or LAE Load Approved for the Line or Coverage	Type (LOSS+DCCE+AOE	of Load		Amount of Load
	•	(2000   2002   7102			
CC	DMPANY LCM INFORMATION				
2	If this is a New Program filing, skip lines 2.1 and 2.2 and for all other filings complete lines 2.1 and 2.2.	review the Max_	_Final LCM	result	on line 7;
	2.1 Current Expense Based LCM				
	2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)				
	Example 1: If the company's loss cost modification is a second modification of the company currently does not a second modification in the company currently does not a second modification of the company currently does not a second modification of the company currently does not a second modification of the company currently does not a second modification of the company's loss cost modification of the company currently does not a second modification of	ation is -10%, er	nter 0.9	ion fac	ctor, enter 1.0
3	Insurer's Current Final LCM (Line 2.1 * Line 2.2)	NA			
4	Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page	-1.000			
	DCCE (Derived from Line 1.3 and the incloss&DCCE pag	je)			
5	Max_Expense Based Loss Cost Multiplier	N/A			
6	Max_Loss Cost Modification (Existing program only) Max_Loss Cost Modification for new program is 1.0	N/A			
7	Max_Final LCM (Line 5 * Line 6)	#VALUE!			

### <u>Instructions for completing Prior Approval Rate Template (stand alone):</u>

- \* A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. Use a multi-coverage template (PPA for personal auto) if more than one template is needed.
- \* Enter data in <u>lined boxes</u> on RateMakingData page <u>only</u> (Do not enter data directly in Template). For more than three years of data, click + button.
- \* Starting at the top of the page, enter the following data: Company or Group name; Line Description, selected from pull down list; Coverage; Marketing System (percentage of each system used, totaling 100%); Prior Effective Date (of current rates); Proposed Effective Date (of proposed new rates); statistical period used; one or more years of appropriate data.
- \* Enter numerical data only; no comments please. (For inapplicable fields: 0 for \$ or %; 1.00 for factors)
- \* Source of data should be page 7 of the Prior Approval Rate Application; For explanation of data, see CDI Rate Filing Instructions.
- \* Enter Variance data, only if supported by Variance Request. Final decisions regarding variances will be made by CDI and/or administrative hearing.
- \* If you are filing Advisory Organization Loss Costs with a Loss Cost Multiplier, read the LCM Instructions tab and complete the LCM template.
- \* For results, see Template tab (Disregard Reinsurance indication if not applicable).

RATEMAKING DATA	Edition Date:	4/4/2011		***************************************
(Click + to expand for more than 3 years; - to contract)				
Completed by				
Date Completed				
Company/Group		octors Company, a	n Interinsurance Ex	change
Line Description	MEDICAL MALPRACTICE	E (claims-made)		
Coverage	F	Professional Liability	У	
	%Captive	%Direct	%Independent	(Must add up to 100%
Marketing System:	21.29%	49.77%	28.94%	
Prior Effective Date (current rates)	1/1/2009			
Proposed Effective Date (new rates)	1/1/2012			
CDI File Number (Department use only)				
Does the data provided below reflect a Request for Variance?	Yes 🔻	Variance #:	1B	
Data below is:	Report Year Data (Claim	ns Made policies only)	•	
	0-1D-1-V	4-1 Dolon Volum	Most Recent	Projected*/ New
	2nd Prior Year	1st Prior Year	Year	Program**
1 California Direct Written Premium	2008 260,830,726	2009 218,485,860	2010 210,559,288	
2 California Direct Earned Premium	251,959,006	227,539,159	210,559,288	
3 Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4 Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	
5 Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-	
6 Earned Exposure Units	21,877	21,400	20,925	***************************************
7 Historic Losses	68,247,510	81,452,184	78,725,022	***************************************
8 Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9 Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10 DCCE Development Factor (Developed in Exhibit 7)	1.094	1.322	2.167	2 - 22 /
11 Loss Trend Factor* (Developed in Exhibit 8)	1.118	1.090	1.064	2.50%
12 DCCE Trend Factor* (Developed in Exhibit 8) 13 Catastrophe Adjustment Factor (Developed in Exh 9)	1.300 1.000	1.226 1.000	1.157 1.000	6.00%
14 Credibility Factor for Losses & DCCE (Developed in Exhibit 10)	1.000	1.000	1.000	100.00%
15 Excluded Expense Factor (From Page 13 of Rate Application)				0.83%
16 Ancillary Income (Developed in Exhibit 11)	-	-	-	0.0070
17 Projected Federal Income Tax Rate on Investment Income (Developed in Exhibit 13)				26.60%
18 Projected Yield (Developed in Exhibit 13)  Complete 19, 20 & 21 For Earthquake and certain Medical  Malpractice with Reinsurance Only (see instructions)				4.50%
19 Direct Commissions				
20 Reinsurance Premium (Developed in Exhibit 14)	,			
21 Reinsurance Recoverables (Developed in Exhibit 14)				***************************************
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or				
writes at least 90% of its direct earned premium in California.  (Must be accompanied by Variance Request, subject to CDI approval)				No
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to approval by CDI)				
* For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.				
For New Programs, please see Rate Filing Instructions, Page 4.				

VARIANCE: 1B	RATE TEMP	PLATE	Edition Date:	4/4/2011	
CDI FILE NUMBER:	0				
COMPANY/GROUP:	The Doctors Compa	nv. an Interinsuran	ce Exchange		
LINE OF INSURANCE:	MEDICAL MALPRAG				
COVERAGE:	Professional Liability				
PRIOR_EFF_DATE:	1/1/2009		Completed by:	Mike O'Donohue	
PROPOSED_EFF_DATE:	1/1/2012		Date:	6/30/2011	
DATA PROVIDED BY FILER					
Year:	2008	2009	2010	DDO IFOTED/	
	PRIOR2	PRIOR1	RECENT	PROJECTED/ SUMMARY	
WRT PREM	260,830,726	218,485,860	210,559,288		***************************************
ERN PREM	251,959,006	227,539,159	210,716,503		
PREM ADJ	0.794	0.936	1.000		***************************************
PREM TREND	1.000	1.000	1.000		
MISCELLANEOUS FEES (& other flat charges)	0	0	0	0	
EARNED_EXP	21,877	21,400	20,925		
LOSSES	68,247,510	81,452,184	78,725,022		
DCCE	59,649,298	47,476,295	32,858,602		
LOSS_DEV	0.873	0.739	0.778		
DCCE_DEV	1.094	1.322	2.167	0.005	
LOSS_TREND DCCE TREND	1.118 1.300	1.090 1.226	1.064 1.157	0.025 0.060	
CAT ADJ	1.000	1.226	1.157		
CREDIBILITY	1.000	1.000	1.000	100.00%	
EXPENSE EXCLUSION FACTOR				0.83%	
ANC INC	0	0	0		
FIT INV				26.60%	
YIELD				4.50%	
CDI PARAMETERS:					
FIT_UW				35.00%	
EFF_STANDARD				26.55%	
LEVERAGE				0.59	
PREMIUM_TAX_RATE SURPLUS RATIO				2.35% 1.69	***************************************
UEP RES RATIO				0.42	***************************************
LOSS RES RATIO				4.21	
RISK FREE RATE OF RETURN					May 2011
MAXIMUM RATE OF RETURN				8.09%	
MINIMUM RATE OF RETURN				-6.00%	
CDI CALCULATIONS:					
ADJ_PREM	200,022,978	212,961,531	210,716,503		
ADJUSTED_LOSSES	66,602,841	65,592,373	65,148,420		***************************************
ADJUSTED_DCCE	84,798,187	76,950,242	82,376,680		***************************************
ADJUSTED_LOSS+DCCE_RATIO	75.69%	<b>66.93%</b> 9951.47	70.01%	<b>70.78%</b> 9714.72	
TRENDED_CURRENT_RATE_LEVEL_PREMIUM LOSS+DCCE PER EXP	9143.04 6920.53	6660.87	10070.31 7050.34	L	
COMP LOSS+DCCE PER EXP	7905.61	8604.63	8707.38	<u> </u>	
CRED LOSS PER EXP	6920.53	6660.87	7050.34		
ANC INC PER EXP	0.00	0.00	0.00		
FIXED_INV_INC_FACTOR				21.38%	
VAR_INV_INC_FACTOR				10.72%	
ANNUAL_NET_TREND				2.50%	
COMP_TREND				7.68%	
MAX_PROFIT				21.03%	
MIN_PROFIT				-15.60%	
UW_PROFIT				-6.85%	
MAX_DENOM MIN DENOM				0.631 0.998	
MAX PREMIUM				\$8,563.65	
MIN PREMIUM				\$5,418.95	
CHANGE AT MIN				-44.22%	
CHANGE AT MAX				-11.85%	
· <u> </u>				110070	
Alternate Calculation with Reinsurance					
COMMISSION RATE				0.00%	
RE_PREM	-	-	=	0	
RE_RECOV	-	-	-	0	
RE_PREM_PER_EXP	0.00	0.00	0.00		
RE_RECOV_PER_EXP	0.00	0.00	0.00		
COMP_LOSS_RE	7905.61	8604.63	8707.38	8399.92	
	7,000.01	000 1.00	0.0		
RMAX_PREMIUM RCHANGE AT MAX	7 000.01	000 1.00		NA <b>NA</b>	

Blended Captive Direct Indep ES: 27.38% 24.18% 25.38% 33.17%

#### **EFFICIENCY STANDARD TABLE**

SOURCE: 2007 - 2009 ROLLING AVG

		VOLLING AVG		
DATE REVI	SED:	2/10/2011		
Line	Captive	Direct	Indep	Line Description
1.0	39.33%	19.17%	32.04%	FIRE
2.1	40.67%	20.08%	29.42%	ALLIED LINES
3.0	33.24%	43.08%	33.53%	FARMOWNERS MULTIPLE PERIL
4.0	36.21%	27.65%	37.12%	HOMEOWNERS MULTIPLE PERIL
5.0	34.65%	42.03%	38.18%	COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%	42.30%	37.12%	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69%	COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76%	INLAND MARINE
11.0	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90%	EARTHQUAKE
17.0	32.55%	26.99%	30.50%	OTHER LIABILITY
17.1	32.55%	26.99%	30.50%	OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE					
		gregates and Averages, 2010 Edition			
DATE RE\		10/15/2010			
Line	LF	Line Description			
1.0	1.2239	Fire			
2.1	1.2232	Allied Lines			
3.0	1.3061	Farmowners			
4.0	1.2665	Homeowners			
5.1	1.2062	CMP - NL			
5.2	0.5704	CMP - Liab.			
5.0	0.8614	CMP			
9.0		Inland Marine			
11.1	0.3440	Med. Mal. Occ.			
11.2	0.5916	Med. Mal. cm.			
11.0	0.5096	Med. Mal.			
12.0	1.0000	•			
17.1	0.4802	O. Liab. Occ.			
17.2	0.5835	O. Liab. cm.			
17.0		O. Liab.			
18.1		Products - Occ.			
18.2		Products - cm.			
18.0		Products			
19.2		PP Auto Liab.			
19.4		C. Auto Liab.			
21.1		PP Auto PD			
21.2		Comm Auto PD			
22.0		Aircraft			
23.0	0.8986	Fidelity			
24.0	0.9888	•			
26.0	1.2363	3 - 7			
27.0	1.1762	Boiler & Mach.			

RESERVES RATIO TABLE
SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

			Averages Troperty Casaaity, 2010 Eath
DATE REVI			
LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

#### **Loss Cost Multiplier (LCM) Template Instructions**

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the filed line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

# **LCM TEMPLATE**

Edition Date: 4/4/2011

	CDI FILE NUMBER: COMPANY/GROUP: LINE OF INSURANCE: LINE CODE: COVERAGE:	0 The Doctors Co MEDICAL MAL 11.2 Professional Lia	PRACTICE		surance Exchange s-made)
ΑD	VISORY ORGANIZATION FILING INFORMATION				
1	For filings that include an adoption of Advisory Organizator all other filings skip lines 1.1, 1.2 and 1.3, and go to li		complete I	ines 1	.1, 1.2, and 1.3;
	1.1 CDI Filing Number				
	1.2 Loss Cost Percent Change Approved for the Line or Coverage				
	1.3 AOE or LAE Load Approved for the Line or Coverage	Type (LOSS+DCCE+AOE	of Load		Amount of Load
	•	(2000   2002   7102			
CC	DMPANY LCM INFORMATION				
2	If this is a New Program filing, skip lines 2.1 and 2.2 and for all other filings complete lines 2.1 and 2.2.	review the Max_	_Final LCM	result	on line 7;
	2.1 Current Expense Based LCM				
	2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)				
	Example 1: If the company's loss cost modification is a second modification of the company currently does not a second modification in the company currently does not a second modification of the company currently does not a second modification of the company currently does not a second modification of the company currently does not a second modification of the company's loss cost modification of the company currently does not a second modification of	ation is -10%, er	nter 0.9	ion fac	ctor, enter 1.0
3	Insurer's Current Final LCM (Line 2.1 * Line 2.2)	NA			
4	Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page	-1.000			
	DCCE (Derived from Line 1.3 and the incloss&DCCE pag	je)			
5	Max_Expense Based Loss Cost Multiplier	N/A			
6	Max_Loss Cost Modification (Existing program only) Max_Loss Cost Modification for new program is 1.0	N/A			
7	Max_Final LCM (Line 5 * Line 6)	#VALUE!			

### <u>Instructions for completing Prior Approval Rate Template (stand alone):</u>

- \* A separate rate template is required for each coverage (i.e. BI,PD,MP,UM,Comp&Coll) for which a separate premium is charged. Use a multi-coverage template (PPA for personal auto) if more than one template is needed.
- \* Enter data in <u>lined boxes</u> on RateMakingData page <u>only</u> (Do not enter data directly in Template). For more than three years of data, click + button.
- \* Starting at the top of the page, enter the following data: Company or Group name; Line Description, selected from pull down list; Coverage; Marketing System (percentage of each system used, totaling 100%); Prior Effective Date (of current rates); Proposed Effective Date (of proposed new rates); statistical period used; one or more years of appropriate data.
- \* Enter numerical data only; no comments please. (For inapplicable fields: 0 for \$ or %; 1.00 for factors)
- \* Source of data should be page 7 of the Prior Approval Rate Application; For explanation of data, see CDI Rate Filing Instructions.
- \* Enter Variance data, only if supported by Variance Request. Final decisions regarding variances will be made by CDI and/or administrative hearing.
- \* If you are filing Advisory Organization Loss Costs with a Loss Cost Multiplier, read the LCM Instructions tab and complete the LCM template.
- \* For results, see Template tab (Disregard Reinsurance indication if not applicable).

RATEMAKING DATA	Edition Date:	4/4/2011		
(Click + to expand for more than 3 years; - to contract)				
Completed by				
Date Completed				
Company/Group		octors Company, ar	Interinsurance Ex	change
Line Description	MEDICAL MALPRACTICE	(claims-made)		
Coverage	F	Professional Liability	1	
	%Captive	%Direct	%Independent	(Must add up to 100%)
Marketing System:		49.77%	28.94%	
Prior Effective Date (current rates)	1/1/2009			
Proposed Effective Date (new rates)  CDI File Number (Department use only)	1/1/2012			
Does the data provided below reflect a Request for Variance?	Yes 🔻	Variance #:	3	
Data below is:	Report Year Data (Claim		Most Recent	Projected*/ New
	2nd Prior Year 2008	1st Prior Year 2009	<b>Year</b> 2010	Program**
1 California Direct Written Premium	260,830,726	218,485,860	210,559,288	
2 California Direct Earned Premium	251,959,006	227,539,159	210,716,503	
3 Premium Adjustment Factor (Developed in Exhibit 4)	0.794	0.936	1.000	
4 Premium Trend Factor * (Developed in Exhibit 5)	1.000	1.000	1.000	***************************************
5 Miscellaneous Fees and Flat Charges (Not included in Line 2; Developed in Exhibit 6)	-	-	-	
6 Earned Exposure Units	21,877	21,400	20,925	
7 Historic Losses	68,247,510	81,452,184	78,725,022	
8 Historic Defense and Cost Containment Expense (DCCE)	59,649,298	47,476,295	32,858,602	
9 Loss Development Factor (Developed in Exhibit 7)	0.873	0.739	0.778	
10 DCCE Development Factor (Developed in Exhibit 7) 11 Loss Trend Factor* (Developed in Exhibit 8)	1.094 1.118	1.322 1.090	2.167 1.064	2.50%
12 DCCE Trend Factor* (Developed in Exhibit 8)	1.300	1.226	1.157	6.00%
13 Catastrophe Adjustment Factor (Developed in Exh 9)	1.000	1.000	1.000	***************************************
14 Credibility Factor for Losses & DCCE (Developed in Exhibit 10)				100.00%
15 Excluded Expense Factor (From Page 13 of Rate Application) 16 Ancillary Income (Developed in Exhibit 11)	-	-	-	0.83%
Projected Federal Income Tax Rate on Investment Income (Developed in Exhibit 13)				26.60%
Projected Yield (Developed in Exhibit 13) <u>Complete 19, 20 &amp; 21 For Earthquake and certain Medical</u> <u>Malpractice with Reinsurance Only (see instructions)</u>				4.50%
19 Direct Commissions				***************************************
20 Reinsurance Premium (Developed in Exhibit 14) 21 Reinsurance Recoverables (Developed in Exhibit 14)				
Themsulance necoverables (Developed in Exhibit 14)	OCCUPATION OF THE PROPERTY OF			
Variance Change to Leverage on the basis that the insurer either writes at least 90% of its direct earned premium in one line or writes at least 90% of its direct earned premium in California. (Must be accompanied by Variance Request, subject to CDI approval)				Yes
Variance Change to Efficiency Standard (Must be accompanied by Variance Request, subject to approval by CDI)				
* For all trend factors, the Projected Column should reflect the annual trend expressed as a percentage.				
For New Programs, please see Rate Filing Instructions, Page 4.				

VARIANCE: 3	RATE TEM	PLATE	Edition Date:	4/4/2011	
CDI FILE NUMBER:	0				
COMPANY/GROUP:		any, an Interinsuran	ce Exchange		
LINE OF INSURANCE:		ACTICE (claims-mad			
COVERAGE:	Professional Liabilit				
PRIOR_EFF_DATE:	1/1/2009		Completed by:	Mike O'Donohue	
PROPOSED_EFF_DATE:	1/1/2012		Date:	6/30/2011	
DATA PROVIDED BY FILER					
Year:	2008	2009	2010		
				PROJECTED/	***************************************
	PRIOR2	PRIOR1	RECENT	SUMMARY	
WRT_PREM	260,830,726	218,485,860	210,559,288		***************************************
ERN_PREM PREM ADJ	251,959,006 0.794	227,539,159 0.936	210,716,503 1.000	·	***************************************
PREM TREND	1.000	1.000	1.000		***************************************
MISCELLANEOUS FEES (& other flat charges)	0	0	0	<u> </u>	***************************************
EARNED_EXP	21,877	21,400	20,925	L	
LOSSES	68,247,510	81,452,184	78,725,022		
DCCE	59,649,298	47,476,295	32,858,602	139,984,195	
LOSS_DEV	0.873	0.739	0.778		
DCCE_DEV LOSS TREND	1.094 1.118	1.322 1.090	2.167 1.064	0.025	
DCCE_TREND	1.300	1.226	1.157	0.060	
CAT_ADJ	1.000	1.000	1.000		
CREDIBILITY				100.00%	
EXPENSE EXCLUSION FACTOR	0	0	0	0.83%	
ANC_INC FIT INV	U	U	U	26.60%	
YIELD				4.50%	
CDI PARAMETERS:					
FIT_UW				35.00%	
EFF_STANDARD LEVERAGE				26.55% 0.50	
PREMIUM TAX RATE				2.35%	
SURPLUS RATIO				1.99	
UEP_RES_RATIO				0.42	
LOSS_RES_RATIO				4.21	
RISK FREE RATE OF RETURN					May 2011
MAXIMUM RATE OF RETURN MINIMUM RATE OF RETURN				8.09% -6.00%	
THE OF THE OF				0.0070	
CDI CALCULATIONS:					
ADJ_PREM	200,022,978	212,961,531	210,716,503		
ADJUSTED_LOSSES	66,602,841		65,148,420		
ADJUSTED_DCCE	84,798,187	76,950,242	82,376,680		
ADJUSTED_LOSS+DCCE_RATIO TRENDED CURRENT RATE LEVEL PREMIUM	<b>75.69%</b> 9143.04	<b>66.93%</b> 9951.47	<b>70.01%</b> 10070.31	<b>70.78%</b> 9714.72	
LOSS+DCCE PER EXP	6920.53	6660.87	7050.34	Ļ	
COMP_LOSS+DCCE_PER_EXP	7630.50	8305.20	8404.38		
CRED_LOSS_PER_EXP	6920.53	6660.87	7050.34	ļ	
ANC_INC_PER_EXP	0.00	0.00	0.00		
FIXED_INV_INC_FACTOR  VAR INV INC FACTOR	-			21.38% 12.23%	
ANNUAL NET TREND	•	***************************************		2.50%	
COMP_TREND				7.68%	
MAX_PROFIT				24.74%	
MIN_PROFIT				-18.36%	
UW_PROFIT MAX DENOM				-4.06% 0.609	
MIN DENOM				1.040	
MAX_PREMIUM				\$8,872.40	
MIN_PREMIUM				\$5,196.63	
CHANGE_AT_MIN				-46.51%	
CHANGE_AT_MAX				-8.67%	
Alternate Calculation with Reinsurance					
COMMISSION RATE				0.00%	
RE_PREM	-	-	-	0	
RE_RECOV	-	-	-	0	
RE_PREM_PER_EXP	0.00	0.00	0.00		
RE_RECOV_PER_EXP  COMP LOSS RE	0.00 7630.50	0.00 8305.20	0.00 8404.38		
RMAX PREMIUM	7030.30	0300.20	0404.30	NA	
RCHANGE_AT_MAX				NA	
				1	u

Blended Captive Direct Indep ES: 27.38% 24.18% 25.38% 33.17%

#### **EFFICIENCY STANDARD TABLE**

SOURCE: 2007 - 2009 ROLLING AVG

		VOLLING AVG		
DATE REVI	SED:	2/10/2011		
Line	Captive	Direct	Indep	Line Description
1.0	39.33%	19.17%	32.04%	FIRE
2.1	40.67%	20.08%	29.42%	ALLIED LINES
3.0	33.24%	43.08%	33.53%	FARMOWNERS MULTIPLE PERIL
4.0	36.21%	27.65%	37.12%	HOMEOWNERS MULTIPLE PERIL
5.0	34.65%	42.03%	38.18%	COMMERCIAL MULTIPLE (5.1 & 5.2 Combined)
5.1	35.79%	42.30%	37.12%	COMMERCIAL MULTIPLE PERIL(NON-LIABILITY)
5.2	31.97%	39.07%	39.69%	COMMERCIAL MULTIPLE PERIL(LIABILITY)
9.0	39.06%	25.63%	28.76%	INLAND MARINE
11.0	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE
11.1	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE(occ)
11.2	24.18%	25.38%	33.17%	MEDICAL MALPRACTICE (cm)
12.0	18.07%	17.08%	22.90%	EARTHQUAKE
17.0	32.55%	26.99%	30.50%	OTHER LIABILITY
17.1	32.55%	26.99%	30.50%	OTHER LIABILITY (occ)
17.2	32.55%	26.99%	30.50%	OTHER LIABILITY (cm)
18.0	24.58%	22.59%	31.36%	PRODUCTS LIABILITY
18.1	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (occ)
18.2	24.58%	22.59%	31.36%	PRODUCTS LIABILITY (cm)
19.2	34.03%	26.81%	36.40%	PRIVATE PASSENGER AUTO LIABILITY
19.4	35.77%	31.98%	34.39%	COMMERCIAL AUTO LIABILITY
21.1	34.42%	27.28%	35.01%	PRIVATE PASSENGER AUTO PHYSICAL DAMAGE
21.2	34.41%	35.11%	36.30%	COMMERCIAL AUTO PHYSICAL DAMAGE
22.0	34.10%	34.10%	26.57%	AIRCRAFT
23.0	33.45%	46.91%	32.18%	FIDELITY
24.0	43.84%	43.84%	43.84%	SURETY
26.0	30.37%	30.37%	30.37%	BURGLARY & THEFT
27.0	36.00%	27.67%	39.23%	BOILER & MACHINERY

LEVERAGE RATIO TABLE						
	SOURCE: Bests Aggregates and Averages, 2010 Edition					
DATE RE\		10/15/2010				
Line	LF	Line Description				
1.0	1.2239	•				
2.1	1.2232	Allied Lines				
3.0		Farmowners				
4.0	1.2665	Homeowners				
5.1	1.2062	CMP - NL				
5.2	0.5704	CMP - Liab.				
5.0	0.8614	CMP				
9.0		Inland Marine				
11.1	0.3440	Med. Mal. Occ.				
11.2	0.5916	Med. Mal. cm.				
11.0	0.5096	Med. Mal.				
12.0	1.0000	Earthquake				
17.1		O. Liab. Occ.				
17.2	0.5835	O. Liab. cm.				
17.0		O. Liab.				
18.1		Products - Occ.				
18.2		Products - cm.				
18.0		Products				
19.2		PP Auto Liab.				
19.4		C. Auto Liab.				
21.1		PP Auto PD				
21.2		Comm Auto PD				
22.0		Aircraft				
23.0	0.8986					
24.0	0.9888	,				
26.0	1.2363	5 ,				
27.0	1.1762	Boiler & Mach.				

RESERVES RATIO TABLE
SOURCE: AM Best's Aggregates & Averages - Property Casualty, 2010 Edition

			Averages Troperty Casaaity, 2010 Eath
DATE REVI			
LINE	UEP	LOSS	Line Description
1	0.48	0.98	FIRE
2.1	0.47	1.20	ALLIED LINES
3	0.47	1.90	FARMOWNER MP
4	0.52	1.14	HOMEOWNER MP
5	0.50	2.87	CMP
5.1	0.49	1.12	CMP (N-LIAB)
5.2	0.50	5.16	CMP (LIAB)
9	0.36	0.68	INLAND MRN
11.0	0.46	4.64	MED MAL
11.1	0.58	5.56	MED MAL - occurrence
11.2	0.42	4.21	MED MAL - claims-made
12.0	0.47	1.00	EARTHQUAKE
17.0	0.52	4.41	OTHER LIAB
17.1	0.54	5.21	OTHER LIAB - occurrence
17.2	0.51	3.28	OTHER LIAB - claims-made
18.0	0.52	5.44	PROD LIAB
18.1	0.53	5.63	PROD LIAB - occurrence
18.2	0.43	3.85	PROD LIAB - claims-made
19.2	0.33	1.14	PPA LIAB
19.4	0.45	2.66	COMLA LIAB
21.1	0.33	0.09	PPA PD
21.2	0.51	0.32	COMLA PD
22.0	0.40	2.79	AIRCRAFT
23.0	0.57	2.62	FIDELITY
24.0	0.56	2.52	SURETY
26.0	0.59	0.91	BRGLRY THEFT
27.0	0.45	1.19	BLR & MCHNRY

#### **Loss Cost Multiplier (LCM) Template Instructions**

The LCM Template spreadsheet must be completed for those rate filing submissions where the filed line or coverage utilizes a Loss Cost Multiplier. Examples include new or existing program rate filings that involve the adoption of Advisory Organization loss costs, and existing program rate filings where the LCM is being revised.

There are a number of data cells on the LCM Template spreadsheet that automatically populate either by reference to cells on other spreadsheets or by formula calculation. However there are five lines within the LCM Template spreadsheet for which additional data entry is required. The first three data entry items pertain to rate filing submissions that include an adoption of Advisory Organization loss costs. The last two data entry items are required only for existing programs.

Complete the following for existing and new program rate filings when Advisory Organization loss costs are being adopted:

Spreadsheet Item #1.1 CDI Filing Number – Please enter the CDI filing number of the Advisory Organization loss cost filing being adopted. If additional loss cost updates are being covered, please also identify the CDI filing number(s) of the additional loss cost updates being covered.

Spreadsheet Item #1.2 Loss Cost Percent Change Approved for the Line or Coverage – Please enter the CDI percent change approved for the Advisory Organization loss cost filing identified as Item #1.1. If multiple loss cost updates are being covered, identify the cumulative percent change approved.

Spreadsheet Item #1.3 AOE or LAE Load Approved for the Line or Coverage – As identified within the Advisory Organization loss cost filing entered as Item #1.1, please indicate the type of AOE or LAE expense loading the Advisory Organization used in its loss cost filing and enter the load amount.

Complete the following for existing programs only; do not complete the following for new program filings:

Spreadsheet Item #2.1 Current Expense Based LCM – Please enter the current expense based LCM for the filed line/coverage.

Spreadsheet Item #2.2 Current Loss Cost Modification Expressed as a Factor – Please enter the current Loss Cost Modification Factor applicable to the current expense based LCM.

Spreadsheet Items #3 through #7 are calculated fields.

Spreadsheet Item #3 calculates the insurer's current Final LCM.

Spreadsheet Item #4 calculates the Advisory Organization's AOE as a percent of loss and DCCE.

Spreadsheet Item #5 calculates the maximum CDI allowable expense based LCM for the filed line/coverage.

Spreadsheet Item #6 calculates the maximum CDI allowable loss cost modification factor for the filed line/coverage.

Spreadsheet Item #7 calculates the **maximum CDI allowable Final LCM** for the filed line/coverage. If the Insurer's current Final LCM (Item #3) and/or proposed Final LCM is greater than the Max Final LCM (Item #7), the Insurer will need to reduce its Final LCM so that it is no greater than the CDI calculated maximum allowable Final LCM. Otherwise, exceeding the CDI calculated maximum allowable Final LCM will require the filing of a Variance.

# **LCM TEMPLATE**

**Edition Date:** 4/4/2011

	CDI FILE NUMBER: COMPANY/GROUP: LINE OF INSURANCE: LINE CODE:	0 The Doctors Co MEDICAL MALI			urance Exchange -made)
	COVERAGE:	Professional Lia			
ΑC	OVISORY ORGANIZATION FILING INFORMATION				
1	For filings that include an adoption of Advisory Organizator all other filings skip lines 1.1, 1.2 and 1.3, and go to li		complete	lines 1	.1, 1.2, and 1.3;
	1.1 CDI Filing Number				
	1.2 Loss Cost Percent Change Approved for the Line or Coverage				
	1.3 AOE or LAE Load Approved for the Line or Coverage	Type (LOSS+DCCE+AOE	of Load		Amount of Load
		(2000) 1002 11102	1// 2000		
CC	DMPANY LCM INFORMATION				
2	If this is a New Program filing, skip lines 2.1 and 2.2 and for all other filings complete lines 2.1 and 2.2.	review the Max_	_Final LCM	result	on line 7;
	2.1 Current Expense Based LCM				
	2.2 Current Loss Cost Modification Expressed as a Factor (see examples below)				
	Example 1: If the company's loss cost modification is a second modification in the company currently does not a second modification in the company currently does not a second modification in the company currently does not a second modification in the company currently does not a second modification in the company currently does not a second modification in the company's loss cost modification in the company currently does not a second modification in	ation is -10%, er	nter 0.9	tion fac	ctor, enter 1.0
3	Insurer's Current Final LCM (Line 2.1 * Line 2.2)	NA			
4	Advisory Organization's AOE as a Percent of Loss and DCCE (Derived from Line 1.3 and the IncLoss&DCCE page	-1.000 ge)			
5	Max_Expense Based Loss Cost Multiplier	N/A			
6	Max_Loss Cost Modification (Existing program only) Max_Loss Cost Modification for new program is 1.0	N/A			
7	Max_Final LCM (Line 5 * Line 6)	#VALUE!			

## The Doctors Company Actuarial Memorandum

Please find Exhibits 1 through 19 as required by the California Department of Insurance Prior Approval Regulations. This actuarial memorandum provides commentary on these exhibits.

#### Exhibit 1

Exhibit 1 provides the file numbers for the most recent filings made by TDC, SCPIE, and AHI for this program.

#### Exhibit 2

Exhibit 2 provides rate level changes for the latest five years. Each company implemented only one rate filing during this time period at the time that SCPIE and AHI were acquired by TDC.

#### Exhibit 3

Exhibit 3 is not applicable to The Doctors Company (TDC).

#### Exhibit 4

Exhibit 4 develops the premium adjustment factors (current level factors) by analyzing the impact of the 1/1/2009 rate filing on earned premium by calendar month. Page 1 provides a summary of TDC and SCPIE/AHI premium adjustment factors and calculates combined premium adjustment factors to apply to all three companies in the Page 7 Ratemaking Data tab of the Prior Approval workbook. Page 2 shows detailed calculations of the premium adjustment factors for TDC while Page 3 shows detailed calculations of the premium adjustment factors for SCPIE/AHI. The method employed in this exhibit evaluates how much of the premium written in the past twelve months was written at the rate level prevailing prior to the 1/1/2009 rate filing and how much was written at the rate level prevailing subsequent to the 1/1/2009 rate filing. The current leveled earned premium for each month is then calculated by multiplying the calendar month earned premium by Rate Level 2 and dividing by the weighted rate level for each month.

#### Exhibit 5

Please note that The Doctors Company is exempt from the promulgated method of calculating premium trend factors (according to 2644.4(d)) since this filing applies to professional liability coverage.

Exhibit 5 develops the premium trend factors using the method described in the California Department of Insurance Prior Approval Regulations. Page 1 evaluates premium trend for TDC while Page 2 evaluates premium trend for SCPIE/AHI. We have displayed premium trend factors for 8 and 12 quarters of rolling calendar year data. Premium trend is applied through calendar year 2010 in order to bring calendar year 2008 and calendar year 2009 earned premium to the calendar year 2010 pricing level. We have selected a premium trend rate of 0% for all companies as no significant changes have been observed in premium per exposure.

#### Exhibit 6

Exhibit 6 is not applicable to The Doctors Company.

#### Exhibit 7

Please note that The Doctors Company is exempt from the promulgated method of calculating loss development factors (according to 2644.4(d)) since this filing applies to professional liability coverage.

#### Loss Development

Exhibit 7 shows the calculation of the loss development factors for report years 2008-2010. Exhibit 7a details the derivation of loss development factors for TDC while Exhibit 7b details the derivation of loss development factors for SCPIE/AHI. The data excludes hospitals, facilities, and all claims associated with TDC's coverage of litigation in the Redding area arising out of allegations of pervasive unnecessary cardiac surgery. In this event, there were hundreds of plaintiffs while TDC had seven policy aggregates worth of coverage where each aggregate amounted to \$3M of coverage. We settled for the aggregate limit of indemnity on each of the seven aggregates, but for processing purposes only recorded twenty-one claims worth \$1M of indemnity each. The Redding claims are excluded so they do not cause distortion in the loss development patterns and have also been excluded from our trend calculations in Exhibit 8 due to the inappropriateness of values that were created by our processing approach.

#### Exhibit 7a Loss Development

The top section in Exhibit 7a, Page 1 shows a summary of the incurred loss and DCCE (excluding DD&R load) as well as the selected ultimate loss and DCCE for TDC in Northern and Southern California. Statewide loss development factors are then calculated in the last few columns of this exhibit. The bottom section of this exhibit calculates blended loss development factors for TDC and SCPIE/AHI (see Exhibit 7b, Page 1.1 and Exhibit 7b, Page 2.1) which are used in the Page 7 Ratemaking Data tab of the Prior Approval workbook.

Pages 2.1-2.7 show support for the development of loss in Southern California. Pages 3.1-3.7 show support for the development of DCCE in Southern California. Pages 4.1-4.7 show support for the development of loss in Northern California. Pages 5.1-5.7 show support for the development of DCCE in Northern California.

Pages 2.1, 3.1, 4.1, and 5.1 show the various indicators used in selecting development factors for the segments that each of these pages represents. We have relied on paid and incurred loss development, a least squares loss development technique (described below) on paid and incurred loss, a reserve development method, and a trended severity method (described below).

For a demonstration of how the trended severity method is implemented, refer to Exhibit 7a, Page 2.1. The trended severity method multiplies the projected severity for report year 2010 of \$31,000 by ultimate claim counts for report year 2010 of 1,533 to arrive at an ultimate loss projection of \$47,536,000. The derivation of the projected severity for report year 2010 is shown in Exhibit 8, Page 1. It is based on extrapolating severity trends observed in three experience periods; report years 1997-2010, 1997-2008, and 1999-2008.

Pages 2.2, 3.2, 4.2, and 5.2 display the incurred link ratio loss development analyses while Pages 2.3, 3.3, 4.3, and 5.3 display the paid link ratio loss development analyses.

Pages 2.4, 3.4, 4.4, and 5.4 show the incurred "severity least squares loss development" analyses while Pages 2.5, 3.5, 4.5, and 5.5 show the paid "severity least squares loss development" analyses. For a demonstration of how the incurred "severity least squares loss development" method is implemented, refer to Exhibit 7a, Page 2.4. The incurred "severity least squares loss development" method performs least squares regression on trended incurred severities at adjacent evaluation periods. Rather than assuming a relationship of the form y = bx to project incurred loss at future evaluations, this method assumes the form y = a + bx. This allows for the recognition of the fact that low loss amounts generally lead to high link ratios and high loss amounts generally lead to low link ratios. The second triangle displayed in the exhibit shows trended incurred loss severities for each report year at each evaluation period. These trended severities are calculated by multiplying the incurred loss in the first triangle in the exhibit by the trend factor (using the 2.5% trend rate derived in Exhibit 8, Page 1 for loss and the 6.0% trend rate derived in Exhibit 8, Page 2 for DCCE) in the final column and dividing by the ultimate claim count in the second to last column on the exhibit. The third row from the bottom of the exhibit shows an indicator that identifies whether the severity least squares parameters are used for determining the loss development for that time interval. If the indicator is set to 1, the least squares regression parameters are used to project development. If the indicator is set to 0, the selected link ratio from the incurred linkratio loss development technique is used instead. For example, in Page 2.4 of Exhibit 7a, the projected trended incurred severity at 9 quarters of development for report year 2010 is calculated by the formula \$29.136 + 0.286 \* \$35.135 = \$39.194 (where a = 29.136 and b = 0.286 to project the development from 5 to 9 quarters of development) since the indicator is set to 1 for 5 to 9 quarters of development. This projected severity is then

multiplied by the ultimate claim count for that report year and divided by the trend factor for that report year. For example, we multiply the \$39,194 projected trended severity by 1,533 ultimate claims and divide by the trend factor of 1.025 to arrive at the projected incurred loss for report year 2010 at 9 quarters of development equal to \$58,635,000, which is displayed beneath the diagonal in the first triangle in the exhibit. Alternatively, to project the trended incurred severity at 17 quarters of development for report year 2008, we simply multiply the trended incurred severity of \$39,808 at 13 quarters of development by the appropriate link ratio of 0.930 (displayed in the second to last row of the exhibit) to arrive at a projected severity of \$37,022. We use the link ratio instead of the severity least squares development factors since the indicator is set to 0 for 13 to 17 months of development. A similar explanation applies to the paid severity least squares loss development technique applied on Pages 2.5, 3.5, 4.5, and 5.5.

Pages 2.6, 3.6, 4.6, and 5.6 display the reserve development method, which is also often referred to as the backward-recursive method. This method evaluates the portion of case reserves expected to remain in reserve and the portion of case reserves expected to be paid during each year of development in order to arrive at an ultimate loss estimate.

Pages 2.7, 3.7, 4.7, and 5.7 provide additional support for the necessity of the "severity least squares loss development" technique. Each of these pages shows two graphs demonstrating the inverse relationship between the 5 to 9 quarter link-ratio development factor and the trended severity at 5 quarters of development. The first graph on each page demonstrates this relationship for incurred loss development while the second graph demonstrates this relationship for paid loss development.

#### Exhibit 7b Loss Development

Exhibit 7b, Pages 1.1 and 2.1 show the various indicators used in selecting development factors for SCPIE/AHI for loss and DCCE, respectively. Pages 1.2 and 2.2 display the incurred link ratio loss development analyses while Pages 1.3 and 2.3 display the paid link ratio loss development analyses. Pages 1.4 and 2.4 show the incurred "severity least squares loss development" analyses while Pages 1.5 and 2.5 show the paid "severity least squares loss development" analyses. Pages 1.6 and 2.6 display the reserve development method and Pages 1.7 and 2.7 display graphs which provide additional support for the necessity of the severity least squares loss development technique. See the discussion of the various components of Exhibit 7a for more detail on these methods.

#### DD&R Analysis

#### Exhibit 7a DD&R Analysis

Exhibit 7a, Page 6.1 shows the adjustment made to TDC's incurred loss amounts to incorporate a load for death, disability, and retirement (DD&R) coverage. Actual losses associated with DD&R coverage have been excluded from the ratemaking data and this DD&R load has been used in their place. The 3.7% DD&R load is applied to the incurred loss and DCCE amounts to arrive at adjusted incurred loss and DCCE amounts

that flow through to the Page 7 Ratemaking Data tab of the Prior Approval workbook. The incurred loss amounts utilized in the Page 7 Ratemaking Data tab of the Prior Approval workbook are derived as the sum of the column (5) entries from Exhibit 7a, Page 6.1 and Exhibit 7b, Page 3.1, while the incurred DCCE amounts utilized in the Page 7 Ratemaking Data tab of the Prior Approval workbook are derived as the sum of the column (6) entries from Exhibit 7a, Page 6.1 and Exhibit 7b, Page 3.1.

Page 6.2 shows the calculation of the 3.7% DD&R load relative to loss and DCCE. Page 6.3 shows the calculation of the required \$266 DD&R premium payment that appears on line 5 of Page 6.2. Page 6.3 utilizes a present value funding approach to determine the necessary DD&R premium payment to fund future DD&R coverages.

#### Exhibit 7b DD&R Analysis

Page 3.1-3.3 of Exhibit 7b provide analogous information to that provided in Pages 6.1-6.3 of Exhibit 7a described above.

#### Exhibit 8

Please note that The Doctors Company is exempt from the promulgated method of calculating frequency and severity trend factors (according to 2644.4(d)) since this filing applies to professional liability coverage.

Exhibit 8 displays the derivation of the frequency and severity trend rates used in the filing. Page 1 derives a trend rate and trend factors to be applied to losses from report years 2008-2010 while Page 2 derives a trend rate and trend factors to be applied to DCCE from report years 2008-2010 in the Page 7 Ratemaking Data tab of the Prior Approval workbook. Based on an analysis of TDC data from report years 1997-2010, a loss trend rate of 2.5% and a DCCE trend rate of 6.0% have been selected. Severity trend factors for report years 2008-2010 are calculated at the bottom of the exhibit by trending from the middle of the report year to a 1/1/2012 filing effective date. Page 3 shows frequency statistics for report years 2008-2010. Frequency has been very stable over this time period. We believe that any frequency trend that can be derived based on this data is due to volatility in the data so we have selected a frequency trend rate of 0.0%.

#### Exhibit 9

Exhibit 9 is not applicable to The Doctors Company.

#### Exhibit 10

The Doctors Company awards full credibility to its experience in report years 2008-2010.

## Exhibit 11

Exhibit 11 is not applicable to The Doctors Company.

#### Exhibit 12

Exhibit 12 is not applicable to The Doctors Company.

#### Exhibit 13

Exhibit 13, Page 1 details the variances which The Doctors Company is applying for in this filing. Exhibit 13, Page 2 calculates TDC's calendar year 2010 expense ratio to demonstrate that the modification to the Efficiency Standard resulting from Variance 1 does not increase the Efficiency Standard to a level exceeding TDC's most recent year total expense ratio.

#### Exhibit 14

The company has opted not to provide an Exhibit 14.

#### Exhibit 15

Exhibit 15, Page 1 shows that the proposed manual rate change of -1.6% and the impact of the change in discounts of -5.8% combine to produce a proposed overall rate change of -7.3%. This is consistent with the maximum permitted rate change of -7.3% derived in the Ratemaking Template.

Exhibit 15, Page 2 shows a summary of average current, indicated, and proposed manual rates by territory along with the resulting statewide averages weighted by full-time equivalent in-force TDC insureds by territory. Exhibit 15, Pages 3.1-3.5 show how the -1.6% proposed manual rate change is to be distributed across specialties and territories for TDC's in-force insureds. This exhibit shows current, indicated, and proposed manual rate changes for in-force TDC insureds by specialty and territory. Full-time equivalent in-force doctor counts are also shown by specialty and territory. Average current, indicated, and proposed manual rates for each territory are weighted by full-time equivalent in-force doctor counts by specialty.

Note that the indicated manual rate changes by specialty and territory in Exhibit 15, Pages 3.1-3.5 have been adjusted uniformly to balance to a statewide indicated manual rate change of -1.6% since this is the adjustment to manual rates that must be applied in conjunction with the -5.8% impact from modifying the claims-free discount structure (see Exhibit 15, Page 4) in order to achieve the maximum permitted rate change of -7.3% derived in the Ratemaking Template.

Exhibit 15, Page 4 evaluates the impact of modifying the claims-free discount structure in the state of California. The distribution of insureds by claims-free discount category is first calculated. The three categories of insureds are those that are eligible for the claims-free discount and have at least three years of tenure with TDC, those that are eligible for the claims-free discount with less than three years of tenure with TDC, and those that are

ineligible for the claims-free discount. Those that are eligible for the discount must be separated by tenure since different rules apply to those that have been with TDC for at least three years and those that have not. Combining the distribution of insureds with the expected average discount for each category arrives at a statewide expected average claims-free discount of 13.4%. Comparing the current statewide average discount (6.6%) to the proposed statewide average discount (12.1%) reveals a -5.8% impact from modifying the claims-free discount structure.

#### Exhibit 16

Exhibit 16, Pages 1.1-1.5 provide support for the indicated \$1M limit specialty relativities used in producing indicated rates in Exhibit 15, Pages 3.1-3.5. Page 1.1 shows indicated specialty relativities using a \$250k indemnity limit per claim. Page 1.2 shows factors that convert the specialty relativities from a \$250k limit to a \$1M limit. Page 1.3 displays the resulting \$1M limit specialty relativities. Page 1.4 details the specialty relativity analysis for neurosurgery in which California experience and ex-California experience are considered separately. Page 1.5 provides an analysis of specialty relativities for ancillary healthcare providers relative to their respective base classes.

Exhibit 16, Pages 2.1-2.2 provide support for the indicated territory relativities used in producing indicated rates in Exhibit 15, Pages 3.1-3.5. Indemnity is capped at \$250k per claim in this analysis. There have been no changes to selected territory relativities since TDC's prior rate filing.

#### Exhibit 17

Exhibit 17 is not applicable to The Doctors Company.

#### Exhibit 18

Exhibit 18 is not applicable to The Doctors Company.

## Exhibit 19

Exhibit 19 is not applicable to The Doctors Company.

# **The Doctors Company Filing History**

#### **The Doctors Company**

 Date Filed
 California File Number

 9/8/2003
 03-6211

 9/1/2008
 08-11851

#### **SCPIE Indemnity Company**

 Date Filed
 California File Number

 5/18/2004
 04-3736

 9/1/2008
 08-11854

#### **American Healthcare Indemnity Company**

 Date Filed
 California File Number

 5/18/2004
 04-3735

 9/1/2008
 08-11853

# The Doctors Company Rate Level History

#### **The Doctors Company**

California	Effective	Percent
File Number	<u>Date</u>	Rate Change
08-11851	1/1/2009	-18.0%

#### **SCPIE Indemnity Company**

California	Effective	Percent
File Number	<u>Date</u>	Rate Change
08-11854	1/1/2009	-23.9%

#### **American Healthcare Indemnity Company**

California	Effective	Percent
File Number	<u>Date</u>	Rate Change
08-11853	1/1/2009	-23.9%

# **The Doctors Company Policy Term Distribution**

The Doctors Company only writes one-year claims-made policies renewable annually.

# The Doctors Company Summary of Premium Adjustment Factors

	(1)	(2)	$(3) = (1) \times (2)$	(4)	(5)	$(6) = (4) \times (5)$	(7) = (1) + (4)	(8) = (9) / (7)	(9) = (3) + (6)
	TDC	TDC	TDC	SCPIE/AHI	SCPIE/AHI	SCPIE/AHI	Combined	Combined	Combined
Calendar	Earned	Current Level	Current Level	Earned	Current Level	Current Level	Earned	Current Level	Current Level
Year	Premium	Factor	Earned Prem	Premium	Factor	Earned Prem	Premium	Factor	Earned Prem
2008	140,375,837	0.820	115,108,187	111,583,169	0.761	84,914,792	251,959,006	0.794	200,022,978
2009	211,052,049	0.941	198,662,014	16,487,110	0.867	14,299,517	227,539,159	0.936	212,961,531
2010	202,302,943	1.000	202,302,943	8,413,560	1.000	8,413,560	210,716,503	1.000	210,716,503

#### The Doctors Company Premium Adjustment Factor

			Rate Level 1 1.000	Rate Level 2 0.820		
Calendar Year	Calendar Month	Calendar Month Earned Premium	% of Earned Premium Written at Rate Level 1	% of Earned Premium Written at Rate Level 2	Weighted Rate Level	Earned Premium at Current Level
2007	1	13,937,244	100.0%	0.0%	1.000	11,428,540
2007	2	11,277,255	100.0%	0.0%	1.000	9,247,349
2007	3	12,812,519	100.0%	0.0%	1.000	10,506,265
2007	4	12,262,906	100.0%	0.0%	1.000	10,055,583
2007	5	12,656,316	100.0%	0.0%	1.000	10,378,179
2007	6	11,900,573	100.0%	0.0%	1.000	9,758,470
2007	7	12,984,613	100.0%	0.0%	1.000	10,647,383
2007	8	12,950,472	100.0%	0.0%	1.000	10,619,387
2007	9	12,962,555	100.0%	0.0%	1.000	10,629,295
2007	10	12,452,735	100.0%	0.0%	1.000	10,211,243
2007	11	12,194,624	100.0%	0.0%	1.000	9,999,591
2007	12	12,795,561	100.0%	0.0%	1.000	10,492,360
2008	1	12,662,407	100.0%	0.0%	1.000	10,383,174
2008	2	12,056,688	100.0%	0.0%	1.000	9,886,484
2008	3	12,433,251	100.0%	0.0%	1.000	10,195,266
2008	4	11,722,755	100.0%	0.0%	1.000	9,612,659
2008	5	12,056,210	100.0%	0.0%	1.000	9,886,092
2008	6	12,096,604	100.0%	0.0%	1.000	9,919,215
2008	7	12,678,316	100.0%	0.0%	1.000	10,396,219
2008	8	12,811,404	100.0%	0.0%	1.000	10,505,351
2008	9	12,722,601	100.0%	0.0%	1.000	10,432,533
2008	10	11,899,796	100.0%	0.0%	1.000	9,757,833
2008	11	12,172,171	100.0%	0.0%	1.000	9,981,180
2008	12	12,441,074	100.0%	0.0%	1.000	10,201,680
2009	1	17,979,317	56.3%	43.7%	0.921	16,001,116
2009	2	17,267,515	52.7%	47.3%	0.915	15,477,556
2009	3	18,422,496	49.0%	51.0%	0.908	16,631,769
2009	4	17,664,631	43.5%	56.5%	0.898	16,124,923
2009	5	18,322,528	39.1%	60.9%	0.890	16,875,222
2009	6	17,166,410	36.1%	63.9%	0.885	15,906,756
2009	7	18,340,180	24.8%	75.2%	0.865	17,394,334
2009	8	18,042,554	19.1%	80.9%	0.854	17,316,116
2009	9	17,588,238	14.9%	85.1%	0.847	17,032,683
2009	10	18,020,209	8.4%	91.6%	0.835	17,694,235
2009	11	17,065,092	4.4%	95.6%	0.828	16,900,854
2009	12	17,448,133	0.0%	100.0%	0.820	17,448,133
2010	1	16,875,437	0.0%	100.0%	0.820	16,875,437
2010	2	15,511,518	0.0%	100.0%	0.820	15,511,518
2010	3	16,873,616	0.0%	100.0%	0.820	16,873,616
2010	4	16,276,702	0.0%	100.0%	0.820	16,276,702
2010	5	16,897,437	0.0%	100.0%	0.820	16,897,437
2010	6	18,172,608	0.0%	100.0%	0.820	18,172,608
2010	7	15,247,381	0.0%	100.0%	0.820	15,247,381
2010	8	16,911,776	0.0%	100.0%	0.820	16,911,776
2010	9	16,590,686	0.0%	100.0%	0.820	16,590,686
2010	10	18,827,586	0.0%	100.0%	0.820	18,827,586
2010	11	16,518,746	0.0%	100.0%	0.820	16,518,746
2010	12	17,695,210	0.0%	100.0%	0.820	17,695,210
			Calendar Year	Calendar Year <u>Earned Premium</u>	Earned Premium at Current Level	Current Level Facto
			2007	151,187,372	123,973,645	0.820
			2008	147,753,276	121,157,687	0.820
			2009	213,327,303	200,803,696	0.941
			2010	202,398,703		1.000

Current Rate Level:

0.820

# SCPIE Indemnity Company & American Healthcare Indemnity Company Premium Adjustment Factor

			Rate Level 1 1.000	Rate Level 2 0.761		
Calendar Year	Calendar Month	Calendar Month Earned Premium	% of Earned Premium Written at Rate Level 1	% of Earned Premium Written at Rate Level 2	Weighted Rate Level	Earned Premium at Current Level
2007	1	10,931,788	100.0%	0.0%	1.000	8,319,090
2007	2	9,176,454	100.0%	0.0%	1.000	6,983,282
2007	3	10,126,824	100.0%	0.0%	1.000	7,706,513
2007	4	9,913,890	100.0%	0.0%	1.000	7,544,470
2007	5	10,193,620	100.0%	0.0%	1.000	7,757,345
2007	6	10,036,259	100.0%	0.0%	1.000	7,637,593
2007	7	10,215,384	100.0%	0.0%	1.000	7,773,907
2007	8	10,107,243	100.0%	0.0%	1.000	7,691,612
2007	9	9,814,936	100.0%	0.0%	1.000	7,469,166
2007	10	10,081,788	100.0%	0.0%	1.000	7,672,241
2007	11	9,620,995	100.0%	0.0%	1.000	7,321,577
2007	12	9,730,457	100.0%	0.0%	1.000	7,404,878
2008	1	9,976,973	100.0%	0.0%	1.000	7,592,476
2008	2	9,124,113	100.0%	0.0%	1.000	6,943,450
2008	3	9,507,782	100.0%	0.0%	1.000	7,235,422
2008	4	9,180,119	100.0%	0.0%	1.000	6,986,071
2008	5	9,308,011	100.0%	0.0%	1.000	7,083,396
2008	6	9,423,627	100.0%	0.0%	1.000	7,171,380
2008	7	9,498,234	100.0%	0.0%	1.000	7,228,156
2008	8	9,496,145	100.0%	0.0%	1.000	7,226,566
2008	9	9,102,190	100.0%	0.0%	1.000	6,926,767
2008	10	9,121,867	100.0%	0.0%	1.000	6,941,741
2008	11	8,812,971	100.0%	0.0%	1.000	6,706,671
2008	12	9,031,137	100.0%	0.0%	1.000	6,872,696
2009	1	2,378,952	66.2%	33.8%	0.919	1,969,343
2009	2	1,775,384	64.7%	35.3%	0.916	1,475,625
2009	3 4	1,738,649	61.2%	38.8%	0.907	1,458,230
2009	5	1,552,841	58.7% 56.6%	41.3% 43.4%	0.901	1,311,156
2009 2009	6	1,516,555 1,406,331	54.0%	46.0%	0.896 0.890	1,287,538 1,202,373
2009	7	1,296,392	49.2%	50.8%	0.879	
2009	8	1,179,415	41.3%	58.7%	0.860	1,122,761 1,044,138
2009	9	1,173,413	33.1%	66.9%	0.840	1,062,918
2009	10	794,496	25.7%	74.3%	0.822	735,182
2009	11	867,638	17.2%	82.8%	0.802	823,212
2009	12	807,042	0.0%	100.0%	0.761	807,042
2010	1	759,610	0.0%	100.0%	0.761	759,610
2010	2	641,778	0.0%	100.0%	0.761	641,778
2010	3	742,318	0.0%	100.0%	0.761	742,318
2010	4	694,399	0.0%	100.0%	0.761	694,399
2010	5	736,374	0.0%	100.0%	0.761	736,374
2010	6	732,659	0.0%	100.0%	0.761	732,659
2010	7	706,190	0.0%	100.0%	0.761	706,190
2010	8	705,633	0.0%	100.0%	0.761	705,633
2010	9	663,174	0.0%	100.0%	0.761	663,174
2010	10	685,241	0.0%	100.0%	0.761	685,241
2010	11	665,970	0.0%	100.0%	0.761	665,970
2010	12	680,215	0.0%	100.0%	0.761	680,215
			Calendar Year	Calendar Year Earned Premium	Earned Premium at Current Level	Current Level Facto
			· · · · · · · · · · · · · · · · · · ·			
			2007	119,949,638	91,281,675	0.761
			2008	111,583,169	84,914,792	0.761
			2009	16,487,110	14,299,517	0.867
			2010	8,413,560	8,413,560	1.000

Current Rate Level:

0.761

# **The Doctors Company Premium Trend Analysis**

	۰	

	Annual		
Quarter	Current Leveled	Annual	Current Leveled
Ending	Earned Premium	Exposure	Premium per Exposure
1Q08	123,256,414	11,971	10,296
2Q08	122,482,149	12,005	10,203
3Q08	121,920,188	12,115	10,064
4Q08	121,157,687	12,208	9,925
1Q09	138,803,203	13,682	10,145
2Q09	158,292,138	15,196	10,416
3Q09	178,701,167	16,883	10,584
4Q09	200,803,696	18,551	10,824
1Q10	201,953,827	20,030	10,083
2Q10	204,393,673	20,155	10,141
3Q10	201,400,383	20,290	9,926
4Q10	202,398,703	20,243	9,998
Quar	terly Premium Trend Ra	te (8 Quarters):	-0.6%

Selected Quarterly Premium Trend Rate:

Quarterly Premium Trend Rate (12 Quarters):

0.0%

-0.1%

#### **Premium Trend Factors**

Calendar Year	Factor **	
2008	(1 - 0.000) ^ 8 =	1.000
2009	$(1 - 0.000) ^ 4 =$	1.000
2010	$(1 - 0.000) \land 0 =$	1.000

<sup>\*</sup> Earned premium has not been reduced by paid dividends for the purpose of the premium trend calculation.

<sup>\*\*</sup> The quarterly trend rate is applied to calendar year earned premium to bring premiums to 2010 pricing level.

# SCPIE Indemnity Company & American Healthcare Indemnity Company Premium Trend Analysis

	Annual					
Quarter	Current Leveled	Annual	Current Leveled			
Ending	Earned Premium	Exposure	Premium per Exposure			
1Q08	90,044,137	9,971	9,030			
2Q08	88,345,576	9,879	8,943			
3Q08	86,792,380	9,832	8,828			
4Q08	84,914,792	9,669	8,782			
1Q09	68,046,643	8,029	8,475			
2Q09	50,606,861	6,359	7,958			
3Q09	32,455,188	4,652	6,977			
4Q09	14,299,517	2,849	5,019			
1Q10	11,540,025	1,119	10,315			
2Q10	9,902,390	900	10,997			
3Q10	8,747,571	754	11,602			
4Q10	8,413,560	681	12,351			
Quar	2.3%					
Quarterly Premium Trend Rate (12 Quarters): 8.2%						
Quarterly Fremium Frence Patter (12 Quarters).						

Selected Quarterly Premium Trend Rate:

#### **Premium Trend Factors**

0.0%

Calendar Year	Factor *	
2008	(1 - 0.000) ^ 8 =	1.000
2009	(1 - 0.000) ^ 4 =	1.000
2010	$(1 - 0.000) \land 0 =$	1.000

 $<sup>^{*}</sup>$  The quarterly trend rate is applied to calendar year earned premium to bring premiums to 2010 pricing level.

### The Doctors Company Miscellaneous Fees and Other Charges

Data relating to such fees and charges are included in Page 7, Line 2 (direct earned premium).

### The Doctors Company Summary of Loss & DCCE Development

Report Year	(1) Northern CA Incurred Loss	(2) Northern CA Incurred Loss LDF	(3) = (1) x (2) Northern CA Ultimate Loss	(4) Southern CA Incurred Loss	(5) Southern CA Incurred Loss LDF	(6) = (4) x (5) Southern CA Ultimate Loss	(7) = (1) + (4) Statewide Incurred Loss	(8) = (9) / (7) Statewide Incurred Loss LDF	(9) = (3) + (6) Statewide Ultimate Loss
2008 2009	\$8,683,725 \$18,158,132	0.772 0.620	\$6,700,000 \$11,250,000	\$32,049,543 \$55,576,492	0.866 0.765	\$27,750,000 \$42,500,000	\$40,733,268 \$73,734,623	0.846 0.729	\$34,450,000 \$53,750,000
2010	\$21,218,497	0.483	\$10,250,000	\$52,562,897	0.875	\$46,000,000	\$73,781,394	0.762	\$56,250,000
Report Year	(1) Northern CA Incurred DCCE	(2) Northern CA Incurred DCCE LDF	(3) = (1) x (2) Northern CA Ultimate DCCE	(4) Southern CA Incurred DCCE	(5) Southern CA Incurred DCCE LDF	(6) = (4) x (5) Southern CA Ultimate DCCE	(7) = (1) + (4) Statewide Incurred DCCE	(8) = (9) / (7) Statewide Incurred DCCE LDF	(9) = (3) + (6) Statewide Ultimate DCCE
2008	\$8,990,275	1.168	\$10,500,000	\$25,668,129	1.067	\$27,400,000	\$34,658,404	1.094	\$37,900,000
2009	\$7,983,306	1.597	\$12,750,000	\$34,457,183	1.262	\$43,500,000	\$42,440,489	1.325	\$56,250,000
2010	\$5,064,729	2.616	\$13,250,000	\$25,398,163	2.087	\$53,000,000	\$30,462,892	2.175	\$66,250,000

#### Combined LDFs for TDC and SCPIE/AHI

Report Year	(1) TDC Incurred Loss	(2) TDC Incurred Loss LDF	(3) = (1) x (2) TDC Ultimate Loss	(4) SCPIE/AHI Incurred Loss	(5) SCPIE/AHI Incurred Loss LDF	(6) = (4) x (5) SCPIE/AHI Ultimate Loss	(7) = (1) + (4) Combined Incurred Loss	(8) = (9) / (7) Combined Incurred Loss LDF	(9) = (3) + (6) Combined Ultimate Loss
2008	\$40,733,268	0.846	\$34,450,000	\$25,064,651	0.918	\$23,009,350	\$65,797,919	0.873	\$57,459,350
2009	\$73,734,623	0.729	\$53,750,000	\$4,794,017	0.887	\$4,252,293	\$78,528,640	0.739	\$58,002,293
2010	\$73,781,394	0.762	\$56,250,000	\$2,117,969	1.322	\$2,799,955	\$75,899,363	0.778	\$59,049,955
Report Year	(1) TDC Incurred DCCE	(2) TDC Incurred DCCE LDF	(3) = (1) x (2) TDC Ultimate DCCE	(4) SCPIE/AHI Incurred DCCE	(5) SCPIE/AHI Incurred DCCE LDF	(6) = (4) x (5) SCPIE/AHI Ultimate DCCE	(7) = (1) + (4) Combined Incurred DCCE	(8) = (9) / (7) Combined Incurred DCCE LDF	(9) = (3) + (6) Combined Ultimate DCCE
2008	\$34,658,404	1.094	\$37,900,000	\$22,849,917	1.094	\$24,997,809	\$57,508,320	1.094	\$62,897,809
2009	\$42,440,489	1.325	\$56,250,000	\$3,331,750	1.276	\$4,251,314	\$45,772,240	1.322	\$60,501,314
2010	\$30,462,892	2.175	\$66,250,000	\$1,214,280	1.976	\$2,399,418	\$31,677,173	2.167	\$68,649,418

#### Southern California - Physician Loss (Net of Deductibles)

#### Summary of Indications and Selections Evaluated @ 3/31/2011 Redding Claims Excluded

California

		Loss Devel	opment	Incurred	l Loss Deve	lopment	T	rended Severity	Diagn	ostics	' <u>-</u>	Ultimate	Selections	
Ult. Claim	Paid Loss	Least Square *	Selected LDF	Incurred Loss	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1,593	28,182		28,182	28,212		28,212	28,182		1	30,000	28,212	1.000	17,710	
1,537	28,914		28,914	29,524		29,524	28,914		21	29,048	29,524	1.000	19,209	
1,182	25,418		25,418	25,523		25,523	25,418		7	15,000	25,523	1.000	21,593	
1,072	24,508		24,508	24,520		24,520	24,520		2	6,250	24,520	1.000	22,873	
1,010	33,835		33,835	33,835		33,835	33,835		0	0	33,835	1.000	33,500	
971	25,214		25,214	25,244		25,244	25,244		1	30,000	25,244	1.000	25,998	
1,144	29,862		29,862	29,862		29,713	29,862		0	0	29,862	1.000	26,103	
996	27,433		27,433	27,433		27,160	27,433		0	0	27,433	1.000	27,544	
835	19,484		19,582	19,504		19,117	19,504		1	20,000	19,504	1.000	23,359	
965	32,106		33,235	33,836		32,666	33,440		8	216,250	33,836	1.000	35,063	
897	24,331		26,319	26,696		25,257	26,072		26	90,962	26,250	0.983	29,264	73,824
867	20,658		24,358	32,050		28,200	27,546		67	170,017	27,750	0.866	32,007	105,845
1,451	19,344	35,491	31,362	55,576	41,278	44,989	39,277		268	135,195	42,500	0.765	29,290	86,402
1,533	1,306	43,837	12,174	52,563	43,592	46,166	34,759	47,536	936	54,762	46,000	0.875	29,998	47,750
	Claim  1,593 1,537 1,182 1,072 1,010 971 1,144 996 835 965 897 867 1,451	Ult.         Paid Loss           1,593         28,182           1,537         28,914           1,182         25,418           1,072         24,508           1,010         33,835           971         25,214           1,144         29,862           996         27,433           835         19,484           965         32,106           897         24,331           867         20,658           1,451         19,344	Ult.         Paid Least Loss         Least Square *           1,593         28,182           1,537         28,914           1,182         25,418           1,072         24,508           1,010         33,835           971         25,214           1,144         29,862           996         27,433           835         19,484           965         32,106           897         24,331           867         20,658           1,451         19,344         35,491	Claim         Loss         Square *         LDF           1,593         28,182         28,182           1,537         28,914         28,914           1,182         25,418         25,418           1,072         24,508         24,508           1,010         33,835         33,835           971         25,214         25,214           1,144         29,862         29,862           996         27,433         27,433           835         19,484         19,582           965         32,106         33,235           897         24,331         26,319           867         20,658         24,358           1,451         19,344         35,491         31,362	Ult.         Paid Loss         Least Square *         Selected LDF         Incurred Loss           1,593         28,182         28,182         28,212           1,537         28,914         28,914         29,524           1,182         25,418         25,418         25,523           1,072         24,508         24,508         24,520           1,010         33,835         33,835         33,835           971         25,214         25,214         25,244           1,144         29,862         29,862         29,862           996         27,433         27,433         27,433           835         19,484         19,582         19,504           965         32,106         33,235         33,836           897         24,331         26,319         26,696           867         20,658         24,358         32,050           1,451         19,344         35,491         31,362         55,576	Ult.         Paid Loss         Least Square *         Selected LDF         Incurred Loss         Least Square *           1,593         28,182         28,182         28,212           1,537         28,914         28,914         29,524           1,182         25,418         25,418         25,523           1,072         24,508         24,508         24,520           1,010         33,835         33,835         33,835           971         25,214         25,214         25,244           1,144         29,862         29,862         29,862           996         27,433         27,433         27,433           835         19,484         19,582         19,504           965         32,106         33,235         33,836           897         24,331         26,319         26,696           867         20,658         24,358         32,050           1,451         19,344         35,491         31,362         55,576         41,278	Ult.         Paid Loss         Least Square *         Selected LDF         Incurred Loss         Least Square *         Selected LDF           1,593         28,182         28,182         28,212         28,212           1,537         28,914         28,914         29,524         29,524           1,182         25,418         25,418         25,523         25,523           1,072         24,508         24,508         24,520         24,520           1,010         33,835         33,835         33,835         33,835           971         25,214         25,214         25,244         25,244           1,144         29,862         29,862         29,862         29,713           996         27,433         27,433         27,433         27,160           835         19,484         19,582         19,504         19,117           965         32,106         33,235         33,836         32,666           897         24,331         26,319         26,696         25,257           867         20,658         24,358         32,050         28,200           1,451         19,344         35,491         31,362         55,576         41,278         44,989	Ult.         Paid Loss         Least Square *         Selected Loss         Incurred Loss         Least Square *         Selected Loss         Reserve LDF           1,593         28,182         28,182         28,212         28,212         28,212         28,182           1,537         28,914         28,914         29,524         29,524         28,914           1,182         25,418         25,418         25,523         25,523         25,418           1,072         24,508         24,508         24,520         24,520         24,520           1,010         33,835         33,835         33,835         33,835         33,835           971         25,214         25,214         25,244         25,244         25,244           1,144         29,862         29,862         29,862         29,713         29,862           996         27,433         27,433         27,160         27,433           835         19,484         19,582         19,504         19,117         19,504           965         32,106         33,235         33,836         32,666         33,440           897         24,331         26,319         26,696         25,257         26,072           <	Ult.         Paid Loss         Least Square *         Selected LDF         Incurred Loss         Least Square *         Selected LDF         Reserve Development         See Exhibit 8 *           1,593         28,182         28,182         28,212         28,212         28,182         28,182           1,537         28,914         28,914         29,524         29,524         28,914         28,914           1,182         25,418         25,418         25,523         25,523         25,523         25,418           1,072         24,508         24,508         24,520         24,520         24,520         24,520           1,010         33,835         33,835         33,835         33,835         33,835         33,835           971         25,214         25,214         25,244         25,244         25,244         25,244           1,144         29,862         29,862         29,862         29,713         29,862         29,862           996         27,433         27,433         27,433         27,160         27,433           835         19,484         19,582         19,504         19,117         19,504           965         32,106         33,235         33,836         32,666	Ult.         Paid Loss         Least Square *         Selected Loss         Least Square *         Selected Loss         Reserve Square *         See Development Square *         Open Claims           1,593         28,182         28,182         28,212         28,212         28,182         28,182         1           1,537         28,914         28,914         29,524         29,524         28,914         21           1,182         25,418         25,418         25,523         25,523         25,418         7           1,072         24,508         24,508         24,520         24,520         24,520         2           1,010         33,835         33,835         33,835         33,835         33,835         0           971         25,214         25,214         25,244         25,244         25,244         1           1,144         29,862         29,862         29,862         29,713         29,862         0           996         27,433         27,433         27,160         27,433         0           835         19,484         19,582         19,504         19,117         19,504         1           965         32,106         33,235         33,836         32,666<	Ult.         Paid Loss         Least Los         Selected Loss         Least Los         Square *         LDF         Loss Square *         LDF         Development LDF         Exhibit 8 *         Open Claims On Open Claims         Avg Resv Claims On Open Claims           1,593         28,182         28,182         28,212         28,212         28,182         1         30,000           1,537         28,914         28,914         29,524         28,914         21         29,048           1,182         25,418         25,418         25,523         25,523         25,418         7         15,000           1,072         24,508         24,508         24,520         24,520         24,520         2         6,250           1,010         33,835         33,835         33,835         33,835         33,835         0         0         0           971         25,214         25,214         25,244         25,244         25,244         1         30,000           1,144         29,862         29,862         29,713         29,862         0         0         0           996         27,433         27,433         27,160         27,433         0         0         0           835	Ult.         Paid Loss         Least Los         Selected Los         Loss Square *         Selected Los         Reserve Development         See Exhibit 8 *         Open Claims         Avg Resv On Open Ult.           1,593         28,182         28,182         28,212         28,212         28,212         28,182         1 30,000         28,212           1,537         28,914         28,914         29,524         29,524         28,914         21 29,048         29,524           1,182         25,418         25,418         25,523         25,523         25,418         7 15,000         25,523           1,072         24,508         24,508         24,520         24,520         24,520         2 6,250         24,520           1,010         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         0 0         0 33,835           971         25,214         25,214         25,244         25,244         25,244         1 30,000         25,244           1,144         29,862         29,862         29,862         29,713         29,862         0 0         0 27,433         0 0         0 27,	Ult.         Paid Loss         Least Loss         Selected Loss         Least Loss         Selected Loss         Reserve LDF         See Development         See Litibit 8 *         Open Claims         Avg Resv On Open Ult.         Sel. LDF         Implied LDF           1,593         28,182         28,182         28,212         28,212         28,182         1 30,000         28,212         1,000           1,537         28,914         28,914         29,524         29,524         28,914         21 29,048         29,524         1,000           1,182         25,418         25,418         25,523         25,523         25,418         7 15,000         25,523         1,000           1,072         24,508         24,508         24,520         25,244         25,244         25	Ult.         Paid Loss         Least Square *         Selected Loss         Gelected Loss         Reserve Square *         See         Open Schibit 8 *         Avg Resv Claims         Sel. Ult.         Implied Ult. Sev.           1,593         28,182         28,182         28,212         28,212         28,182         1 30,000         28,212         1,710           1,537         28,914         28,914         29,524         29,524         29,524         29,914         21 29,048         29,524         1,000         19,209           1,182         25,418         25,418         25,523         25,523         25,523         25,523         25,418         7 15,000         25,523         1,000         21,593           1,072         24,508         24,508         24,520         24,520         24,520         2 6,250         24,520         1,000         22,873           1,010         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         33,835         1,000         25,244         25,244         25,244         25,244         25,244         25,244         25,244         25,244         1 30,000         25,244         1,000         25,998         2,998

<sup>\*</sup> Multiply severity selection from Exhibit 8, Page 1 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

#### **The Doctors Company Incurred Link Ratio Loss Development**

### Southern California (excluding Redding claims) Unlimited Incurred Loss, Net of Paid Deductible Recoverie

					Unlimited	Incurred 1	Loss, Net of	Paid Dedu	ictible Rec	overies					
port	Development Q														
ear	1	5	9	13	17	21	25	29	33	37	41	45	49	53	
1997	22,339	63,647	43,487	32,973	30,767	28,940	28,415	28,337	28,212	28,212	28,212	28,212	28,212	28,212	28,2
1998	19,994	55,058	40,706	30,959	27,898	29,823	29,551	29,551	29,551	29,551	29,551	29,551	29,554	29,524	29,5
1999	12,357	41,559	33,234	27,199	25,229	25,145	25,939	25,889	25,524	25,524	25,524	25,523	25,523	25,523	25,5
2000	11,427	34,310	33,175	28,745	26,665	25,643	25,115	24,605	24,905	24,535	24,535	24,520	24,520	24,520	24,5
2001	8,883	38,323	40,348	35,016	34,317	34,806	35,286	35,036	34,897	33,835	33,835	33,835	33,835	33,835	33,8
2002	11,820	39,055	33,773	27,990	26,408	25,867	25,329	25,254	25,244	25,244	25,244	25,244	25,244	25,244	25,2
2003	11,396	38,583	37,834	33,641	31,651	30,611	30,737	29,957	29,862	29,713	29,713	29,713	29,713	29,713	29,7
2004	9,878	37,009	36,087	31,506	29,817	29,884	27,494	27,433	27,296	27,160	27,160	27,160	27,160	27,160	27,
2005	10,116	37,208	30,615	25,218	21,869	20,334	19,504	19,309	19,213	19,117	19,117	19,117	19,117	19,117	19,
2006	10,637	48,750	46,593	36,193	35,053	33,836	33,329	32,995	32,830	32,666	32,666	32,666	32,666	32,666	32,
2007	8,551	32,776	32,461	29,986	26,696	26,162	25,769	25,512	25,384	25,257	25,257	25,257	25,257	25,257	25,
2008	8,513	31,721	34,816	32,050	29,806	29,210	28,772	28,484	28,342	28,200	28,200	28,200	28,200	28,200	28,
2009	12,414	51,739	55,576	51,130	47,551	46,600	45,901	45,442	45,215	44,989	44,989	44,989	44,989	44,989	44,
2010	10,228	52,563	57,031	52,468	48,796	47,820	47,102	46,631	46,398	46,166	46,166	46,166	46,166	46,166	46,
2011	12,656	13,795	14,968	13,770	12,806	12,550	12,362	12,238	12,177	12,116	12,116	12,116	12,116	12,116	12,
	•														
fornia															
	ACTORS														
ort	Development Ir														
r	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	2.849	0.683	0.758	0.933	0.941	0.982	0.997	0.996	1.000	1.000	1.000	1.000	1.000	1.000	
1998	2.754	0.739	0.761	0.901	1.069	0.991	1.000	1.000	1.000	1.000	1.000	1.000	0.999		
1999	3.363	0.800	0.818	0.928	0.997	1.032	0.998	0.986	1.000	1.000	1.000	1.000			
2000	3.003	0.967	0.866	0.928	0.962	0.979	0.980	1.012	0.985	1.000	0.999				
2001	4.314	1.053	0.868	0.980	1.014	1.014	0.993	0.996	0.970	1.000					
2002	3.304	0.865	0.829	0.943	0.980	0.979	0.997	1.000	1.000						
2003	3.386	0.981	0.889	0.941	0.967	1.004	0.975	0.997							
2004	3.747	0.975	0.873	0.946	1.002	0.920	0.998								
2005	3.678	0.823	0.824	0.867	0.930	0.959									
2006	4.583	0.956	0.777	0.969	0.965										
2007	3.833	0.990	0.924	0.890											
2008	3.726	1.098	0.921												
2009	4.168	1.074													
2010	5.139														
to-Age															
	0.926	0.923	0.842	0.930	0.983	0.984	0.992	0.998	0.992	1.000	1.000	1.000	0.999	1.000	
5	1.072	0.988	0.864	0.923	0.969	0.975	0.988	0.998	0.991	1.000	1.000	1.000	0.999	1.000	
3	1.086	1.054	0.874	0.909	0.966	0.961	0.990	0.997	0.985	1.000	1.000	1.000	0.999	1.000	
	0.971	0.962	0.847	0.932	0.983	0.985	0.992	0.998	0.991	1.000	1.000	1.000	0.999	1.000	
5	1.080	0.989	0.858	0.927	0.971	0.978	0.988	0.998	0.990	1.000	1.000	1.000	0.999	1.000	
3	1.092	1.057	0.863	0.915	0.969	0.962	0.989	0.997	0.983	1.000	1.000	1.000	0.999	1.000	
cted	1.092	1.085	0.920	0.913	0.980	0.985	0.989	0.995	0.985	1.000	1.000	1.000	1.000	1.000	
to-Ultima		1.003	0.720	0.750	0.760	0.703	0.220	0.773	0.773	1.000	1.000	1.000	1.000	1.000	
	0.636	0.687	0.744	0.883	0.950	0.967	0.982	0.990	0.992	0.999	0.999	1.000	0.999	1.000	
5	0.030	0.087	0.744	0.852	0.930	0.967	0.982	0.990	0.992	0.999	0.999	1.000	0.999	1.000	
5 3	0.779	0.727	0.733	0.832	0.923	0.933	0.977	0.988	0.990	0.999	0.999	1.000	0.999	1.000	
l .e	0.700	0.722	0.750	0.886	0.951	0.966	0.981	0.989	0.991	0.999	0.999	1.000	0.999	1.000	
15	0.787	0.728	0.736	0.858	0.926	0.954	0.976	0.987	0.989	0.999	0.999	1.000	0.999	1.000	
13	0.822	0.753	0.713	0.826	0.903	0.932	0.969	0.980	0.982	0.999	0.999	1.000	0.999	1.000	
ected	0.957	0.878	0.809	0.880	0.946	0.965	0.980	0.990	0.995	1.000	1.000	1.000	1.000	1.000	

### The Doctors Company Paid Link Ratio Loss Development Southern California (excluding Redding claims)

								luullig Ke	_						
					Unlimi	ted Paid Lo	oss, Net of I	Paid Deduct	tible Recove	eries					
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	14	3,878	17,992	24,493	27,272	28,110	28,185	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182
1998	40	6,122	14,542	21,665	24,218	27,073	28,911	28,911	28,911	28,911	28,911	28,911	28,914	28,914	28,914
1999	90	2,697	15,494	21,974	22,949	23,084	24,569	24,569	25,419	25,419	25,419	25,418	25,418	25,418	25,418
2000	22	949	15,654	22,203	22,932	24,160	24,478	24,478	24,478	24,508	24,508	24,508	24,508	24,508	24,508
2001	40	4,633	21,762	31,530	32,842	32,891	33,835	33,897	33,897	33,835	33,835	33,835	33,835	33,835	33,835
2002	-	6,062	17,930	22,710	23,348	24,247	25,139	25,214	25,214	25,214	25,214	25,214	25,214	25,214	25,214
2003	20	2,749	11,701	23,089	27,846	29,451	29,787	29,862	29,862	29,862	29,862	29,862	29,862	29,862	29,862
2004	(2)	2,775	15,958	20,980	23,677	26,519	27,434	27,433	27,433	27,433	27,433	27,433	27,433	27,433	27,433
2005	(0)	2,126	13,334	17,575	18,954	19,444	19,484	19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582
2006	27	2,805	25,782	28,873	31,998	32,106	33,069	33,235	33,235	33,235	33,235	33,235	33,235	33,235	33,235
2007	13	1,237	16,994	22,030	24,331	25,425	26,188	26,319	26,319	26,319	26,319	26,319	26,319	26,319	26,319
2008	20	2,421	14,358	20,658	22,518	23,531	24,237	24,358	24,358	24,358	24,358	24,358	24,358	24,358	24,358
2009	42	4,487	19,344	26,598	28,992	30,297	31,206	31,362	31,362	31,362	31,362	31,362	31,362	31,362	31,362
2010	29	1,306	7,509	10,325	11,255	11,761	12,114	12,174	12,174	12,174	12,174	12,174	12,174	12,174	12,174
2011	50	1,500	8,623	11,857	12,924	13,505	13,910	13,980	13,980	13,980	13,980	13,980	13,980	13,980	13,980
C-1:6															
California AGE:AGE l	FACTORS														
Report	Development Ir	nterval													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	287.291	4.639	1.361	1.113	1.031	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	153.054	2.375	1.490	1.118	1.118	1.068	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999	29.964	5.745	1.418	1.044	1.006	1.064	1.000	1.035	1.000	1.000	1.000	1.000	1.000		
2000	42.551	16.489	1.418	1.033	1.054	1.013	1.000	1.000	1.001	1.000	1.000	1.000			
2001	116.699	4.697	1.449	1.042	1.001	1.019	1.000	1.000	0.998	1.000	1.000				
2002	1.000	2.958	1.267	1.028	1.039	1.027	1.002	1.000	1.000	1.000					
2002	138.014	4.256	1.973	1.206	1.058	1.011	1.003	1.000	1.000						
2004	(1,387.658)	5.750	1.315	1.129	1.120	1.035	1.000	1.000							
2005	(9,447.258)	6.273	1.318	1.078	1.026	1.002	1.000								
2005	104.119	9.191	1.120	1.108	1.020	1.002									
2007	93.476	13.732	1.120	1.104	1.003										
2007	121.028	5.932	1.439	1.104											
2009	107.180	4.312	1.439												
2010	44.521	4.312													
Age-to-Age	44.321														
Ayg Avg	(171.357)	6.642	1.405	1.091	1.045	1.029	1.001	1.005	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	23.516	7.888	1.298	1.125	1.049	1.023	1.001	1.007	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3 Avg3	22.727	7.992	1.298	1.123	1.049	1.023	1.001	1.007	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	37.367	5.717	1.380	1.097	1.030	1.029	1.002	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	23.322	6.869	1.380	1.127	1.043	1.029	1.001	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	22.515	6.224	1.274	1.099	1.047	1.024	1.002	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	30.000			1.099	1.046			1.000	1.000		1.000	1.000			
Age-to-Ultin		5.750	1.375	1.090	1.043	1.030	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Avg	(1,888.851)	11.023	1.660	1.181	1.082	1.035	1.006	1.005	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	292.961	12.458	1.579	1.217	1.082	1.033	1.008	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	273.543	12.436	1.506	1.172	1.062	1.031	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	346.907	9.284	1.624	1.172	1.008	1.018	1.002	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	248.351	10.649	1.550	1.177	1.079	1.034	1.003	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	205.630	9.133	1.330	1.217	1.066	1.031	1.007	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
w tu 5	203.030	9.133	1.40/	1.1/1	1.000	1.019	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

Selected

279.665

9.322

1.621

1.179

1.082

1.035

1.005

1.000

1.000

1.000

1.000

1.000

1.000

## The Doctors Company Severity Least Squares Incurred Loss Development Southern California (excluding Redding claims) Unlimited Incurred Loss, Net of Paid Deductible Recoveries

Report	Development Qu	ıarter						, , , , , , , ,									
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	22,339	63,647	43,487	32,973	30,767	28,940	28,415	28,337	28,212	28,212	28,212	28,212	28,212	28,212	28,212		
1998	19,994	55,058	40,706	30,959	27,898	29,823	29,551	29,551	29,551	29,551	29,551	29,551	29,554	29,524	29,524		
1999	12,357	41,559	33,234	27,199	25,229	25,145	25,939	25,889	25,524	25,524	25,524	25,523	25,523	25,523	25,523		
2000	11,427	34,310	33,175	28,745	26,665	25,643	25,115	24,605	24,905	24,535	24,535	24,520	24,520	24,520	24,520		
2001	8,883	38,323	40,348	35,016	34,317	34,806	35,286	35,036	34,897	33,835	33,835	33,835	33,835	33,835	33,835		
2002	11,820	39,055	33,773	27,990	26,408	25,867	25,329	25,254	25,244	25,244	25,244	25,244	25,244	25,244	25,244		
2003	11,396	38,583	37,834	33,641	31,651	30,611	30,737	29,957	29,862	29,713	29,713	29,713	29,713	29,713	29,713		
2004	9,878	37,009	36,087	31,506	29,817	29,884	27,494	27,433	27,296	27,160	27,160	27,160	27,160	27,160	27,160		
2005	10,116	37,208	30,615	25,218	21,869	20,334	19,504	19,309	19,213	19,117	19,117	19,117	19,117	19,117	19,117		
2006	10,637	48,750	46,593	36,193	35,053	33,836	33,329	32,995	32,830	32,666	32,666	32,666	32,666	32,666	32,666		
2007	8,551	32,776	32,461	29,986	26,696	26,162	25,769	25,512	25,384	25,257	25,257	25,257	25,257	25,257	25,257		
2008	8,513	31,721	34,816	32,050	29,806	29,210	28,772	28,484	28,342	28,200	28,200	28,200	28,200	28,200	28,200		
2009	12,414	51,739	55,576	46,913	43,629	42,756	42,115	41,694	41,485	41,278	41,278	41,278	41,278	41,278	41,278		
2010	10,228	52,563	58,635	49,542	46,074	45,153	44,476	44,031	43,811	43,592	43,592	43,592	43,592	43,592	43,592		
2011	12,656	16,186	17,255	14,570	13,550	13,279	13,080	12,949	12,885	12,820	12,820	12,820	12,820	12,820	12,820		
	s Trended Sever															D 437	m 1
Report	Development Qu		0	1.2		21	25	20	22	27	41	4.5	40	52		Report Year	Trend
Year	I 70.250	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	79,258	56,454	38,573	29,247	27,290	25,669	25,204	25,135	25,024	25,024	25,024	25,024	25,024	25,024	25,024	1,593	1.413
1998	71,727	49,381	36,509	27,766	25,022	26,748	26,504	26,504	26,504	26,504	26,504	26,504	26,507	26,480	26,480	1,537	1.379
1999	56,240	47,286	37,814	30,947	28,705	28,610	29,513	29,456	29,041	29,041	29,041	29,040	29,040	29,040	29,040	1,182	1.345
2000	55,945	41,994	40,605	35,183	32,637	31,386	30,740	30,116	30,483	30,030	30,030	30,012	30,012	30,012	30,012	1,072	1.312
2001	45,035	48,571	51,138	44,379	43,494	44,114	44,722	44,405	44,229	42,882	42,882	42,882	42,882	42,882	42,882	1,010	1.280
2002	60,807	50,231	43,438	36,000	33,965	33,270	32,578	32,481	32,468	32,468	32,468	32,468	32,468	32,468	32,468	971	1.249
2003	48,548	41,092	40,295	35,829	33,709	32,602	32,736	31,905	31,804	31,645	31,645	31,645	31,645	31,645	31,645	1,144	1.218
2004	47,155	44,169	43,068	37,601	35,586	35,665	32,812	32,741	32,577	32,414	32,414	32,414	32,414	32,414	32,414	996	1.189
2005	56,197	51,677	42,520	35,024	30,373	28,241	27,089	26,818	26,684	26,550	26,550	26,550	26,550	26,550	26,550	835	1.160
2006	49,886	57,156	54,628	42,434	41,098	39,671	39,076	38,685	38,492	38,299	38,299	38,299	38,299	38,299	38,299	965	1.131
2007	42,092	40,332	39,946	36,899	32,851	32,194	31,711	31,394	31,237	31,080	31,080	31,080	31,080	31,080	31,080	897	1.104
2008	42,296	39,401	43,245	39,808	37,022	36,281	35,737	35,380	35,203	35,027	35,027	35,027	35,027	35,027	35,027	867	1.077
2009	35,955	37,463	40,241	33,968	31,590	30,958	30,494	30,189	30,038	29,888	29,888	29,888	29,888	29,888	29,888	1,451	1.051
2010	27,346	35,135	39,194	33,116	30,798	30,182	29,729	29,432	29,285	29,138	29,138	29,138	29,138	29,138	29,138	1,533	1.025
2011	29,217	37,366	39,833	33,635	31,281	30,655	30,196	29,894	29,744	29,595	29,595	29,595	29,595	29,595	29,595	433	1.000
Loost Canaras	Doromatar Estim	otions															
Least Squares	Parameter Estima		9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53				
_	1:5 26,299	5:9	9:13 1,225	-5,210	-238				1,955	37:41	41:45 74	45:49	49:53 454				
a=		29,136				-636	214	107									
b=	0.379	0.286	0.814	1.079	0.989	1.005	0.985	0.995	0.928	1.000	0.997	1.000	0.982				
LS Use Indic	1	1	1	0	0	0	0	0	0	0	0	0	0				
Link Ratio	1.090	1.085	0.920	0.930	0.980	0.985	0.990	0.995	0.995	1.000	1.000	1.000	1.000				

Regression is of the form y = a + bx

## The Doctors Company Severity Least Squares Paid Loss Development Southern California (excluding Redding claims) Unlimited Paid Loss, Net of Paid Deductible Recoveries

report	Development Qu	itti tei															
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	14	3,878	17,992	24,493	27,272	28,110	28,185	28,182	28,182	28,182	28,182	28,182	28,182	28,182	28,182		
1998	40	6,122	14,542	21,665	24,218	27,073	28,911	28,911	28,911	28,911	28,911	28,911	28,914	28,914	28,914		
1999	90	2,697	15,494	21,974	22,949	23,084	24,569	24,569	25,419	25,419	25,419	25,418	25,418	25,418	25,418		
2000	22	949	15,654	22,203	22,932	24,160	24,478	24,478	24,478	24,508	24,508	24,508	24,508	24,508	24,508		
2001	40	4,633	21,762	31,530	32,842	32,891	33,835	33,897	33,897	33,835	33,835	33,835	33,835	33,835	33,835		
2002	-	6,062	17,930	22,710	23,348	24,247	25,139	25,214	25,214	25,214	25,214	25,214	25,214	25,214	25,214		
2003	20	2,749	11,701	23,089	27,846	29,451	29,787	29,862	29,862	29,862	29,862	29,862	29,862	29,862	29,862		
2004	(2)	2,775	15,958	20,980	23,677	26,519	27,434	27,433	27,433	27,433	27,433	27,433	27,433	27,433	27,433		
2005	(0)	2,126	13,334	17,575	18,954	19,444	19,484	19,582	19,582	19,582	19,582	19,582	19,582	19,582	19,582		
2006	27	2,805	25,782	28,873	31,998	32,106	33,069	33,235	33,235	33,235	33,235	33,235	33,235	33,235	33,235		
2007	13	1,237	16,994	22,030	24,331	25,425	26,188	26,319	26,319	26,319	26,319	26,319	26,319	26,319	26,319		
2008	20	2,421	14,358	20,658	22,518	23,531	24,237	24,358	24,358	24,358	24,358	24,358	24,358	24,358	24,358		
2009	42	4,487	19,344	30,100	32,809	34,285	35,314	35,491	35,491	35,491	35,491	35,491	35,491	35,491	35,491		
2010	29	1,306	25,953	37,179	40,525	42,349	43,619	43,837	43,837	43,837	43,837	43,837	43,837	43,837	43,837		
2011	50	1,483	8,254	11,442	12,471	13,033	13,424	13,491	13,491	13,491	13,491	13,491	13,491	13,491	13,491		
Paid Loss Tro	ended Severity																
Report	Development Qu	ıarter														Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	48	3,440	15,958	21,725	24,190	24,933	25,000	24,997	24,997	24,997	24,997	24,997	24,997	24,997	24,997	1,593	1.413
1998	144	5,491	13,043	19,431	21,721	24,282	25,930	25,930	25,930	25,930	25,930	25,930	25,933	25,933	25,933	1,537	1.379
1999	410	3,068	17,629	25,002	26,111	26,265	27,955	27,955	28,922	28,922	28,922	28,921	28,921	28,921	28,921	1,182	1.345
2000	109	1,162	19,159	27,176	28,068	29,571	29,960	29,960	29,960	29,997	29,997	29,997	29,997	29,997	29,997	1,072	1.312
2001	201	5,872	27,582	39,961	41,624	41,687	42,882	42,962	42,962	42,882	42,882	42,882	42,882	42,882	42,882	1,010	1.280
2002	0	7,796	23,061	29,209	30,029	31,186	32,333	32,430	32,430	32,430	32,430	32,430	32,430	32,430	32,430	971	1.249
2003	85	2,928	12,462	24,591	29,657	31,367	31,725	31,804	31,804	31,804	31,804	31,804	31,804	31,804	31,804	1,144	1.218
2004	-10	3,312	19,046	25,039	28,257	31,649	32,741	32,741	32,741	32,741	32,741	32,741	32,741	32,741	32,741	996	1.189
2005	-1	2,952	18,519	24,410	26,325	27,005	27,061	27,196	27,196	27,196	27,196	27,196	27,196	27,196	27,196	835	1.160
2006	126	3,289	30,228	33,852	37,516	37,643	38,772	38,966	38,966	38,966	38,966	38,966	38,966	38,966	38,966	965	1.131
2007	65	1,523	20,912	27,109	29,940	31,288	32,226	32,387	32,387	32,387	32,387	32,387	32,387	32,387	32,387	897	1.104
2008	99	3,007	17,833	25,660	27,969	29,228	30,104	30,255	30,255	30,255	30,255	30,255	30,255	30,255	30,255	867	1.077
2009	121	3,249	14,007	21,795	23,756	24,825	25,570	25,698	25,698	25,698	25,698	25,698	25,698	25,698	25,698	1,451	1.051
2010	78	873	17,348	24,852	27,088	28,307	29,157	29,302	29,302	29,302	29,302	29,302	29,302	29,302	29,302	1,533	1.025
2011	115	3,422	19,054	26,413	28,790	30,086	30,988	31,143	31,143	31,143	31,143	31,143	31,143	31,143	31,143	433	1.000
Least Squares	Parameter Estima	ations															
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53				
a=	,	16,764	8,978	3,045	3,776	455	-129	537	137	0	2	8	0				
b=	-0.341	0.669	0.915	0.975	0.913	1.013	1.005	0.987	0.995	1.000	1.000	1.000	1.000				
LS Use Indic				0	0	0	0	0				0	0				

Regression is of the form y = a + bx

30.000

5.750

1.375

1.090

1.045

1.030

1.005

1.000

1.000

1.000

1.000

1.000

1.000

Link Ratio

Report

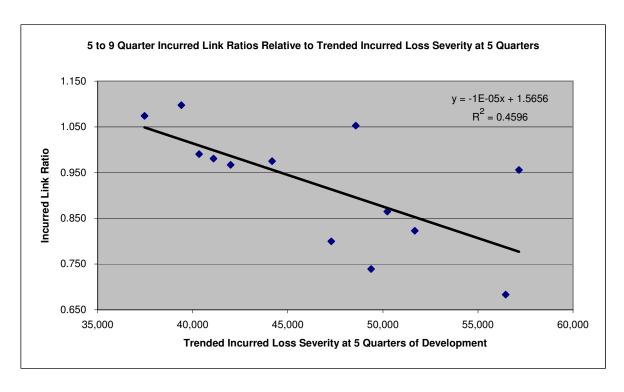
Development Quarter

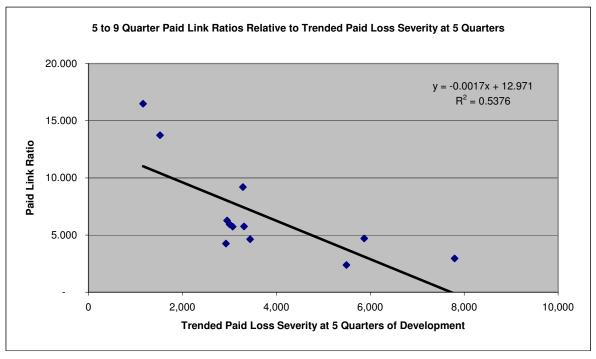
#### **Reserve Development Method**

### Southern California (excluding Redding claims) Unlimited Loss, Net of Paid Deductible Recoveries

					Unlimited	l Loss, Net o	f Paid Deduc	ctible Recove	eries						
Loss Reserves															
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	22,325	59,769	25,496	8,480	3,495	830	230	155	30	30	30	30	30	30	30
1998	19,954	48,936	26,164	9,294	3,680	2,750	640	640	640	640	640	640	640_	610	0
1999	12,267	38,862	17,740	5,225	2,280	2,061	1,370	1,320	105	105	105	105_	105	0	0
2000	11,405	33,361	17,522	6,542	3,734	1,483	638	128	428	28	28_	13	0	0	0
2001	8,844	33,690	18,586	3,486	1,475	1,915	1,451	1,139	1,000	0_	0	0	0	0	0
2002	11,820	32,994	15,844	5,280	3,060	1,620	190	40	30	30	0	0	0	0	0
2003	11,376	35,833	26,133	10,552	3,805	1,160	950	95	0	0	0	0	0	0	0
2004	9,880	34,234	20,128	10,526	6,141	3,366	60	0	0	0	0	0	0	0	0
2005	10,116	35,083	17,281	7,642	2,915	890	20	0	0	0	0	0	0	0	0
2006	10,610	45,945	20,811	7,320	3,055	1,730	597	0	0	0	0	0	0	0	0
2007	8,538	31,538	15,468	7,956	2,365	1,252	432	0	0	0	0	0	0	0	0
2008	8,493	29,301	20,459	11,391	4,983	2,637	910	0	0	0	0	0	0	0	0
2009	12,372	47,253	36,232	14,049	6,146	3,253	1,123	0	0	0	0	0	0	0	0
2010	10,198	51,257	28,103	10,897	4,767	2,523	871	0	0	0	0	0	0	0	0
2011	12,606	41,825	22,932	8,892	3,890	2,059	711	0	0	0	0	0	0	0	0
D 117															
Paid Loss	la														
Report	Development Q			10	1.7	21	25	20	22	27	4.1	4.5	40	50	
Year 1007	1	2.070	9	24 402	27,272	21	25 28,185	29	33	37	41	45	49	53	28,182
1997 1998	14 40	3,878	17,992	24,493		28,110		28,182 28,911	28,182	28,182	28,182	28,182	28,182	28,182	28,182
1998	90	6,122 2,697	14,542 15,494	21,665 21,974	24,218 22,949	27,073 23,084	28,911 24,569	24,569	28,911 25,419	28,911 25,419	28,911 25,419	28,911 25,418	28,914 25,418	28,914 25,418	25,418
2000	22	949	15,654	22,203	22,949	24,160	24,309	24,309	24,478	24,508	24,508	24,508	24,520	24,520	24,520
2001	40	4,633	21,762	31,530	32,842	32,891	33,835	33,897	33,897	33,835	33,835	33,835	33,835	33,835	33,835
2002	0	6,062	17,930	22,710	23,348	24,247	25,139	25,214	25,214	25,214	25,244	25,244	25,244	25,244	25,244
2002	20	2,749	11,701	23,089	27,846	29,451	29,787	29,862	29,862	29,862	29,862	29,862	29,862	29,862	29,862
2004	-2	2,775	15,958	20,980	23,677	26,519	27,434	27,433	27,433	27,433	27,433	27,433	27,433	27,433	27,433
2005	0	2,126	13,334	17,575	18,954	19,444	19,484	19,504	19,504	19,504	19,504	19,504	19,504	19,504	19,504
2006	27	2,805	25,782	28,873	31,998	32,106	32,843	33,440	33,440	33,440	33,440	33,440	33,440	33,440	33,440
2007	13	1,237	16,994	22,030	24,331	25,107	25,640	26,072	26,072	26,072	26,072	26,072	26,072	26,072	26,072
2008	20	2,421	14,358	20,658	23,875	25,512	26,635	27,546	27,546	27,546	27,546	27,546	27,546	27,546	27,546
2009	42	4,487	19,344	30,782	34,750	36,769	38,154	39,277	39,277	39,277	39,277	39,277	39,277	39,277	39,277
2010	29	1,306	19,299	28,171	31,248	32,814	33,888	34,759	34,759	34,759	34,759	34,759	34,759	34,759	34,759
2011	50	3,340	18,022	25,261	27,772	29,050	29,926	30,637	30,637	30,637	30,637	30,637	30,637	30,637	30,637
5Yr Paid Ratio	0.241	0.406	0.252	0.324	0.313	0.349	0.065	0.312	-0.015	0.000	-0.001	0.005	0.000	0.000	
5Yr Res Ratio	4.089	0.583	0.476	0.416	0.462	0.298	0.426	0.574	0.364	1.000	0.981	1.000	0.955	1.000	
All Yr Paid Ratio	0.261	0.351	0.316	0.282	0.328	0.426	0.038	0.242	-0.015	0.000	-0.001	0.005	0.000	0.000	
All Yr Res Ratio	3.318	0.548	0.388	0.437	0.529	0.345	0.636	0.635	0.373	1.000	0.981	1.000	0.955	1.000	
Sel Paid Ratio	0.261	0.351	0.316	0.282	0.328	0.426	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Sel Res Ratio	3.318	0.548	0.388	0.437	0.529	0.345	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Res Dev to Ult	2.426	0.653	0.550	0.605	0.736	0.771	1.000	1.000	1.000	1.000	1.000	1.000	1.000		

# The Doctors Company Relationship Between Link Ratio and Loss Amount Southern California





### The Doctors Company Southern California - Physician DCCE

#### Summary of Indications and Selections Evaluated @ 3/31/2011 Redding Claims Excluded

California

Carryonna															
		Paid D	CCE Deve	lopment	Incurred	DCCE Dev	velopment	T	rended Severity	Diagr	nostics		Ultimate	Selections	
Report Year	Ult. Claim	Paid DCCE	Least Square *	Selected LDF	Incurred DCCE	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	1,593	22,648		22,648	22,649		22,649	22,648		1	1,739	22,649	1.000	14,218	
1998	1,537	24,147		24,147	24,224		24,224	24,147		21	3,629	24,224	1.000	15,760	
1999	1,182	20,853		20,853	20,888		20,888	20,853		7	4,943	20,888	1.000	17,671	
2000	1,072	20,158		20,158	20,161		20,161	20,161		2	1,741	20,161	1.000	18,807	
2001	1,010	19,721		19,721	19,721		19,721	19,721		0	0	19,721	1.000	19,526	
2002	971	19,878		19,878	19,896		19,896	19,896		1	18,400	19,896	1.000	20,491	
2003	1,144	21,560		21,560	21,560		21,560	21,560		0	0	21,560	1.000	18,847	
2004	996	18,953		18,991	18,953		18,953	18,953		0	0	18,953	1.000	19,030	
2005	835	20,286		20,428	20,319		20,319	20,319		1	33,102	20,319	1.000	24,334	
2006	965	24,537		25,080	24,927		25,176	25,120		8	48,663	24,927	1.000	25,831	
2007	897	20,120		21,285	20,586		21,311	21,048		26	17,893	21,200	1.030	23,634	41,521
2008	867	24,280		27,355	25,668		27,503	26,723		67	20,717	27,400	1.067	31,603	46,566
2009	1,451	29,369		43,015	34,457		43,935	42,668		268	18,986	43,500	1.262	29,979	52,728
2010	1,533	11,766	45,392	43,944	25,398	49,221	53,110	55,074	47,536	936	14,564	53,000	2.087	34,563	44,054

<sup>\*</sup> Multiply severity selection from Exhibit 8, Page 2 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

## The Doctors Company Incurred Link Ratio Loss Development Southern California (excluding Redding claims) Incurred DCCE

							Incurred	DCCE							
Report	Development Q														
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	2,270	12,500	17,596	20,814	22,160	22,467	22,574	22,654	22,646	22,646	22,651	22,651	22,651	22,649	22,649
1998	2,817	12,021	18,760	22,894	23,736	24,184	24,206	24,223	24,227	24,227	24,227	24,228	24,227	24,224	24,224
1999	1,966	9,510	16,180	19,886	20,482	20,583	20,833	20,881	20,888	20,888	20,888	20,888	20,888	20,888	20,888
2000	1,167	8,860	15,256	18,990	19,757	19,879	20,148	20,107	20,132	20,170	20,167	20,161	20,161	20,161	20,161
2001	1,417	8,944	14,553	18,077	18,691	19,229	19,369	19,577	19,786	19,720	19,721	19,721	19,721	19,721	19,721
2002	1,454	10,336	15,746	18,079	19,191	19,522	19,864	19,879	19,856	19,896	19,896	19,896	19,896	19,896	19,896
2003	1,783	12,141	20,354	22,986	21,888	22,017	22,186	21,607	21,560 18,953	21,560	21,560	21,560	21,560	21,560	21,560 18,953
2004	2,249	11,948	16,388	17,525	18,663	18,903	19,039 20,319	18,953		18,953	18,953	18,953	18,953	18,953	
2005 2006	1,758 2,079	10,134 11,808	15,562 19,488	19,030 23,285	19,796 24,003	20,255 24,927	25,176	20,319 25,176							
2007	1,730	10,794	17,169	19,761	20,586	21,100	21,311	21,311	21,311	21,311	21,311	21,311	21,311	21,311	21,311
2007	1,985	12,475	21,128	25,668	26,567	27,231	27,503	27,503	27,503	27,503	27,503	27,503	27,503	27,503	27,503
2009	2,742	21,066	34,457	41,004	42,439	43,500	43,935	43,935	43,935	43,935	43,935	43,935	43,935	43,935	43,935
2010	3,605	25,398	41,653	49,567	51,302	52,584	53,110	53,110	53,110	53,110	53,110	53,110	53,110	53,110	53,110
2011	4,165	7,288	11,953	14,224	14,722	15,090	15,241	15,241	15,241	15,241	15,241	15,241	15,241	15,241	15,241
2011	4,105	7,200	11,755	1-1,22-1	14,722	13,070	13,241	13,241	13,241	15,241	13,241	13,241	13,241	13,241	13,241
California															
AGE:AGE I	FACTORS														
Report	Development In	terval													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	5.506	1.408	1.183	1.065	1.014	1.005	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	4.268	1.561	1.220	1.037	1.019	1.001	1.001	1.000	1.000	1.000	1.000	1.000	1.000		
1999	4.836	1.701	1.229	1.030	1.005	1.012	1.002	1.000	1.000	1.000	1.000	1.000			
2000	7.590	1.722	1.245	1.040	1.006	1.014	0.998	1.001	1.002	1.000	1.000				
2001	6.313	1.627	1.242	1.034	1.029	1.007	1.011	1.011	0.997	1.000					
2002	7.107	1.523	1.148	1.062	1.017	1.018	1.001	0.999	1.002						
2003	6.809	1.677	1.129	0.952	1.006	1.008	0.974	0.998							
2004	5.313	1.372	1.069	1.065	1.013	1.007	0.995								
2005	5.766	1.536	1.223	1.040	1.023	1.003									
2006	5.680	1.650	1.195	1.031	1.038										
2007	6.238	1.591	1.151	1.042											
2008	6.285	1.694	1.215												
2009	7.683	1.636													
2010	7.044														
Age-to-Age	1.544	1.592	1.187	1.036	1.017	1.008	0.998	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Avg	1.647	1.621	1.171	1.036	1.017	1.008	0.998	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5 Avg3	1.751	1.640	1.171	1.028	1.020	1.009	0.990	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	1.638	1.611	1.187	1.034	1.023	1.008	0.998	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	1.679	1.627	1.173	1.023	1.020	1.009	0.995	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	1.768	1.641	1.179	1.023	1.026	1.006	0.989	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.750	1.640	1.190	1.037	1.025	1.000	1.000	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultim		1.0+0	1.170	1.055	1.023	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Avg	3.098	2.007	1.261	1.062	1.025	1.008	0.999	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	3.288	1.997	1.232	1.052	1.025	1.006	0.998	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	3.619	2.067	1.260	1.062	1.023	0.998	0.992	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	3.319	2.027	1.258	1.062	1.023	1.007	0.999	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	3.361	2.002	1.231	1.049	1.024	1.007	0.997	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	3.663	2.072	1.262	1.062	1.024	0.998	0.992	1.002	1.000	1.000	1.000	1.000	1.000	1.000	

Selected

3.659

2.091

1.275

1.071

1.035

1.010

1.000

1.000

1.000

1.000

1.000

1.000

1.000

### The Doctors Company Paid Link Ratio Loss Development Southern California (excluding Redding claims) Paid DCCE

							Paid D	CCE							
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	406	6,559	15,461	20,271	21,914	22,428	22,554	22,642	22,644	22,644	22,649	22,649	22,649	22,648	22,648
1998	379	6,494	16,601	22,055	23,408	23,972	24,126	24,144	24,148	24,147	24,147	24,149	24,147	24,147	24,147
1999	306	5,802	14,642	19,298	20,210	20,426	20,740	20,826	20,853	20,853	20,853	20,853	20,853	20,853	20,853
2000	203	5,179	13,665	18,457	19,546	19,767	20,065	20,092	20,118	20,158	20,159	20,158	20,158	20,158	20,158
2001	415	5,470	13,218	17,599	18,553	19,174	19,304	19,548	19,723	19,720	19,721	19,721	19,721	19,721	19,721
2002	308	6,541	14,244	17,502	18,814	19,382	19,772	19,838	19,847	19,878	19,878	19,878	19,878	19,878	19,878
2003	188	6,168	15,537	19,514	20,737	21,138	21,347	21,551	21,560	21,560	21,560	21,560	21,560	21,560	21,560
2004	224	5,729	13,355	16,617	17,847	18,369	18,913	18,953	18,991	18,991	18,991	18,991	18,991	18,991	18,991
2005	269	5,514	14,029	18,220	19,365	20,148	20,286	20,387	20,428	20,428	20,428	20,428	20,428	20,428	20,428
2006	224	6,784	17,291	22,292	23,657	24,537	24,905	25,030	25,080	25,080	25,080	25,080	25,080	25,080	25,080
2007	208	5,499	14,807	18,661	20,120	20,825	21,137	21,243	21,285	21,285	21,285	21,285	21,285	21,285	21,285
2008	140	7,271	18,176	24,280	25,858	26,763	27,165	27,301	27,355	27,355	27,355	27,355	27,355	27,355	27,355
2009	218	11,659	29,369	38,180	40,661	42,084	42,716	42,929	43,015	43,015	43,015	43,015	43,015	43,015	43,015
2010	329	11,766	30,003	39,004	41,539	42,993	43,638	43,856	43,944	43,944	43,944	43,944	43,944	43,944	43,944
2011	289	2,895	7,382	9,596	10,220	10,578	10,737	10,790	10,812	10,812	10,812	10,812	10,812	10,812	10,812
California															
AGE:AGE F	EACTORS														
Report	Development Ir	nterval													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	16.158	2.357	1.311	1.081	1.023	1.006	1.004	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	17.131	2.556	1.329	1.061	1.024	1.006	1.001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999	18.970	2.523	1.318	1.047	1.011	1.015	1.004	1.001	1.000	1.000	1.000	1.000	1.000		
2000	25.539	2.638	1.351	1.059	1.011	1.015	1.001	1.001	1.002	1.000	1.000	1.000			
2001	13.170	2.416	1.331	1.054	1.034	1.007	1.013	1.009	1.002	1.000	1.000				
2002	21.264	2.177	1.229	1.075	1.030	1.020	1.003	1.000	1.002	1.000					
2003	32.846	2.519	1.256	1.063	1.019	1.010	1.010	1.000	1.002						
2004	25.605	2.331	1.244	1.074	1.029	1.030	1.002	1.000							
2005	20.530	2.544	1.299	1.063	1.040	1.007	1.002								
2006	30.345	2.549	1.289	1.061	1.037	1.007									
2007	26.457	2.693	1.260	1.078	1.037										
2008	52.016	2.500	1.336	1.070											
2009	53.465	2.519	1.550												
2010	35.720	2.517													
Age-to-Age	33.720														
Avg	6.950	2.486	1.296	1.065	1.026	1.013	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Avg5	9.900	2.561	1.286	1.068	1.031	1.015	1.006	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Avg3	11.767	2.570	1.295	1.067	1.036	1.015	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Vtd	7.119	2.490	1.296	1.065	1.026	1.012	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Vtd5	9.605	2.551	1.289	1.067	1.020	1.012	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Vtd3 Vtd3	11.166	2.552	1.298	1.067	1.031	1.014	1.005	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
elected	10.000	2.552	1.300	1.067	1.036	1.015	1.005	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
		2.330	1.500	1.003	1.055	1.013	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
ge-to-Ultim	24.968	3.592	1.445	1.115	1.047	1.020	1.007	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
.vg .vg5	24.968 36.748	3.392	1.445	1.113	1.047	1.020	1.007	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
											1.000				
Avg3	44.386	3.772	1.467	1.133	1.062	1.025	1.009	1.004	1.001	1.000		1.000	1.000	1.000	
Vtd	25.580	3.593	1.443	1.114	1.046	1.019	1.007	1.002	1.001	1.000	1.000	1.000	1.000	1.000	
Vtd5	35.568	3.703	1.452	1.127	1.056	1.023	1.009	1.003	1.001	1.000	1.000	1.000	1.000	1.000	

Wtd3

Selected

41.882

37.349

3.751

3.735

1.470

1.465

1.133

1.127

1.061

1.058

1.025

1.022

1.009

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## The Doctors Company Severity Least Squares Incurred Loss Development Southern California (excluding Redding claims) Incurred DCCE

Report	Development Qu	arter															
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	2,270	12,500	17,596	20,814	22,160	22,467	22,574	22,654	22,646	22,646	22,651	22,651	22,651	22,649	22,649		
1998	2,817	12,021	18,760	22,894	23,736	24,184	24,206	24,223	24,227	24,227	24,227	24,228	24,227	24,224	24,224		
1999	1,966	9,510	16,180	19,886	20,482	20,583	20,833	20,881	20,888	20,888	20,888	20,888	20,888	20,888	20,888		
2000	1,167	8,860	15,256	18,990	19,757	19,879	20,148	20,107	20,132	20,170	20,167	20,161	20,161	20,161	20,161		
2001	1,417	8,944	14,553	18,077	18,691	19,229	19,369	19,577	19,786	19,720	19,721	19,721	19,721	19,721	19,721		
2002	1,454	10,336	15,746	18,079	19,191	19,522	19,864	19,879	19,856	19,896	19,896	19,896	19,896	19,896	19,896		
2003	1,783	12,141	20,354	22,986	21,888	22,017	22,186	21,607	21,560	21,560	21,560	21,560	21,560	21,560	21,560		
2004	2,249	11,948	16,388	17,525	18,663	18,903	19,039	18,953	18,953	18,953	18,953	18,953	18,953	18,953	18,953		
2005	1,758	10,134	15,562	19,030	19,796	20,255	20,319	20,319	20,319	20,319	20,319	20,319	20,319	20,319	20,319		
2006	2,079	11,808	19,488	23,285	24,003	24,927	25,176	25,176	25,176	25,176	25,176	25,176	25,176	25,176	25,176		
2007	1,730	10,794	17,169	19,761	20,586	21,100	21,311	21,311	21,311	21,311	21,311	21,311	21,311	21,311	21,311		
2008	1,985	12,475	21,128	25,668	26,567	27,231	27,503	27,503	27,503	27,503	27,503	27,503	27,503	27,503	27,503		
2009	2,742	21,066	34,457	41,004	42,439	43,500	43,935	43,935	43,935	43,935	43,935	43,935	43,935	43,935	43,935		
2010	3,605	25,398	38,603	45,937	47,545	48,734	49,221	49,221	49,221	49,221	49,221	49,221	49,221	49,221	49,221		
2011	4,165	7,169	11,491	13,675	14,153	14,507	14,652	14,652	14,652	14,652	14,652	14,652	14,652	14,652	14,652		
Incurred DC	CE Trended Seve	witz															
Report	Development Qu															Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	12,890	17,741	24,974	29,541	31,451	31,887	32,038	32,152	32,141	32,141	32,148	32,148	32,148	32,146	32,146		2.261
1998	15,635	16,682	26,033	31,770	32,939	33,561	33,591	33,615	33,620	33,620	33,620	33,622	33,620	33,616	33,616		2.133
1999	13,390	16,190	27,544	33,854	34,868	35,039	35,465	35,547	35,558	35,558	35,558	35,558	35,558	35,558	35,558	1,182	2.012
2000	8,268	15,689	27,015	33,627	34,985	35,202	35,678	35,605	35,650	35,716	35,712	35,701	35,701	35,701	35,701	1,072	1.898
2001	10,048	15,859	25,805	32,052	33,141	34,095	34,344	34,712	35,083	34,966	34,968	34,968	34,968	34,968	34,968	1,010	1.791
2002	10,121	17,984	27,397	31,456	33,391	33,968	34,562	34,588	34,549	34,618	34,618	34,618	34,618	34,618	34,618	971	1.689
2003	9,936	16,915	28,358	32,025	30,495	30,675	30,910	30,104	30,039	30,039	30,039	30,039	30,039	30,039	30,039	1,144	1.594
2004	13,578	18,037	24,740	26,457	28,176	28,537	28,743	28,613	28,613	28,613	28,613	28,613	28,613	28,613	28,613	996	1.504
2005	11,943	17,216	26,437	32,329	33,629	34,410	34,518	34,518	34,518	34,518	34,518	34,518	34,518	34,518	34,518	835	1.419
2006	11,531	16,376	27,025	32,290	33,286	34,567	34,913	34,913	34,913	34,913	34,913	34,913	34,913	34,913	34,913	965	1.338
2007	9,741	15,192	24,165	27,812	28,973	29,697	29,994	29,994	29,994	29,994	29,994	29,994	29,994	29,994	29,994	897	1.262
2008	10,908	17,138	29,023	35,261	36,495	37,407	37,781	37,781	37,781	37,781	37,781	37,781	37,781	37,781	37,781	867	1.191
2009	8,492	16,313	26,682	31,752	32,863	33,685	34,022	34,022	34,022	34,022	34,022	34,022	34,022	34,022	34,022	1,451	1.124
2010	9,969	17,557	26,685	31,755	32,866	33,688	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025	34,025	1,533	1.060
2011	9,614	16,549	26,527	31,568	32,673	33,489	33,824	33,824	33,824	33,824	33,824	33,824	33,824	33,824	33,824	433	1.000
Least Squares	Parameter Estima																
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53				
a=		23,945	-6,676	4,515	-361	-713	-2,271	-903	-48	79	64	-3	42				
b=	0.146	0.156	1.440	0.891	1.028	1.030	1.067	1.028	1.001	0.998	0.998	1.000	0.999				
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0				
Link Ratio	1.750	1.640	1.190	1.035	1.025	1.010	1.000	1.000	1.000	1.000	1.000	1.000	1.000				

Regression is of the form y = a + bx

## The Doctors Company Severity Least Squares Paid Loss Development Southern California (excluding Redding claims) Paid DCCE

	-														
eport	Development Qu	ıarter													
ear	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	406	6,559	15,461	20,271	21,914	22,428	22,554	22,642	22,644	22,644	22,649	22,649	22,649	22,648	22,64
1998	379	6,494	16,601	22,055	23,408	23,972	24,126	24,144	24,148	24,147	24,147	24,149	24,147	24,147	24,14
1999	306	5,802	14,642	19,298	20,210	20,426	20,740	20,826	20,853	20,853	20,853	20,853	20,853	20,853	20,85
2000	203	5,179	13,665	18,457	19,546	19,767	20,065	20,092	20,118	20,158	20,159	20,158	20,158	20,158	20,15
2001	415	5,470	13,218	17,599	18,553	19,174	19,304	19,548	19,723	19,720	19,721	19,721	19,721	19,721	19,72
2002	308	6,541	14,244	17,502	18,814	19,382	19,772	19,838	19,847	19,878	19,878	19,878	19,878	19,878	19,87
2003	188	6,168	15,537	19,514	20,737	21,138	21,347	21,551	21,560	21,560	21,560	21,560	21,560	21,560	21,56
2004	224	5,729	13,355	16,617	17,847	18,369	18,913	18,953	18,991	18,991	18,991	18,991	18,991	18,991	18,99
2005	269	5,514	14,029	18,220	19,365	20,148	20,286	20,387	20,428	20,428	20,428	20,428	20,428	20,428	20,42
2006	224	6,784	17,291	22,292	23,657	24,537	24,905	25,030	25,080	25,080	25,080	25,080	25,080	25,080	25,08
2007	208	5,499	14,807	18,661	20,120	20,825	21,137	21,243	21,285	21,285	21,285	21,285	21,285	21,285	21,28
2008	140	7,271	18,176	24,280	25,858	26,763	27,165	27,301	27,355	27,355	27,355	27,355	27,355	27,355	27,35
2009	218	11,659	29,369	38,180	40,661	42,084	42,716	42,929	43,015	43,015	43,015	43,015	43,015	43,015	43,01
2010	329	11,766	30,992	40,289	42,908	44,410	45,076	45,301	45,392	45,392	45,392	45,392	45,392	45,392	45,39
2011	289	3,770	9,630	12,520	13,333	13,800	14,007	14,077	14,105	14,105	14,105	14,105	14,105	14,105	14,10

hieq	DCCF	Trended	Soverity
Faiu	DUCE	Trended	Severity

Report	Development Qu	ıarter														Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	2,304	9,309	21,943	28,770	31,102	31,831	32,010	32,135	32,138	32,138	32,145	32,145	32,145	32,143	32,143	1,593	2.261
1998	2,104	9,012	23,037	30,607	32,484	33,266	33,481	33,505	33,510	33,510	33,510	33,512	33,510	33,510	33,510	1,537	2.133
1999	2,083	9,878	24,927	32,853	34,405	34,773	35,307	35,454	35,499	35,499	35,499	35,499	35,499	35,499	35,499	1,182	2.012
2000	1,436	9,171	24,198	32,684	34,612	35,003	35,531	35,579	35,624	35,695	35,698	35,695	35,695	35,695	35,695	1,072	1.898
2001	2,946	9,699	23,437	31,205	32,896	33,998	34,229	34,661	34,972	34,966	34,968	34,968	34,968	34,968	34,968	1,010	1.791
2002	2,141	11,382	24,783	30,453	32,736	33,723	34,402	34,517	34,533	34,586	34,586	34,586	34,586	34,586	34,586	971	1.689
2003	1,047	8,594	21,647	27,188	28,891	29,450	29,742	30,026	30,039	30,039	30,039	30,039	30,039	30,039	30,039	1,144	1.594
2004	1,351	8,649	20,161	25,086	26,943	27,732	28,552	28,613	28,671	28,671	28,671	28,671	28,671	28,671	28,671	996	1.504
2005	1,825	9,367	23,833	30,953	32,897	34,228	34,462	34,634	34,703	34,703	34,703	34,703	34,703	34,703	34,703	835	1.419
2006	1,240	9,407	23,978	30,913	32,806	34,027	34,538	34,710	34,780	34,780	34,780	34,780	34,780	34,780	34,780	965	1.338
2007	1,170	7,740	20,840	26,265	28,318	29,310	29,749	29,898	29,958	29,958	29,958	29,958	29,958	29,958	29,958	897	1.262
2008	768	9,988	24,969	33,354	35,522	36,765	37,317	37,503	37,578	37,578	37,578	37,578	37,578	37,578	37,578	867	1.191
2009	675	9,028	22,742	29,565	31,487	32,589	33,077	33,243	33,309	33,309	33,309	33,309	33,309	33,309	33,309	1,451	1.124
2010	911	8,133	21,423	27,850	29,660	30,699	31,159	31,315	31,378	31,378	31,378	31,378	31,378	31,378	31,378	1,533	1.060
2011	668	8,703	22,232	28,901	30,780	31,857	32,335	32,497	32,562	32,562	32,562	32,562	32,562	32,562	32,562	433	1.000
x	Doromatar Estima																

Least Squares Parameter Estimations 1:5 5:9 9:13 13:17 17:21 21:25 25:29 29:33 33:37 37:41 41:45 45:49 49:53 8,306 9,876 -5,666 2,485 836 1,222 185 -533 -338 42 25 -3 -53 a= 0.594 1.420 1.542 0.981 1.000 0.975 0.999 1.018 1.010 0.999 0.999 1.000 1.002 b= LS Use Indic 0 0 0 0 0 0 0 0 0 Link Ratio 10.000 2.550 1.300 1.065 1.035 1.015 1.005 1.002 1.000 1.000 1.000 1.000 1.000

Regression is of the form y = a + bx

#### **Reserve Development Method**

#### $Southern\ California\ (excluding\ Redding\ claims)$

Unlimited DCCE

						Unlir	nited DCCE								
DCCE Reserves															
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	1,865	5,941	2,135	543	246	39	20	12	2	2	2	2	2	2	2
1998	2,438	5,527	2,159	838	328	213	79	79	79	79	79	79	79	76	0
1999	1,660	3,708	1,537	588	272	156	93	55	35	35	35	35	35	0	0
2000	964	3,681	1,591	532	211	112	83	15	14	12	8_	3	0	0	0
2001	1,001	3,474	1,336	478	138	54	65	28	63	0	0	0	0	0	0
2002	1,147	3,794	1,502	576	377	141	92	41	9_	18	0	0	0	0	0
2003	1,595	5,972	4,817	3,472	1,152	879	838	56	0	0	0	0	0	0	0
2004	2,025 1,489	6,218	3,033 1,533	908 810	817 431	534 107	126 33	0	0	0	0	0	0	0	0
2005 2006	1,489	4,621 5,025	2,197	993	346	389	262	0	0	0	0	0	0	0	0
2007	1,522	5,023	2,362	1,099	465	305	202	0	0	0	0	0	0	0	0
2007	1,845	5,204	2,951	1,388	612	402	271	0	0	0	0	0	0	0	0
2009	2,524	9,407	5,088	2,190	966	634	427	0	0	0	0	0	0	0	0
2010	3,276	13,632	6,519	2,806	1,237	812	547	0	0	0	0	0	0	0	0
2011	3,875	13,558	6,483	2,791	1,230	808	544	0	0	0	0	0	0	0	0
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,	,	,										
Paid DCCE	L														
Report	Development Q		0	12	17	21	25	20	22	27	41	45	40	52	57
Year 1997	406	5 6,559	9 15,461	20,271	21,914	22,428	25 22,554	29 22,642	22,644	22,644	22,649	45 22,649	22,649	53 22,648	22,648
1997	379	6,494	16,601	22,055	23,408	23,972	24,126	24,144	24,148	24,147	24,147	24,149	24,147	24,147	24,147
1998	306	5,802	14,642	19,298	20,210	20,426	20,740	20,826	20,853	20,853	20,853	20,853	20,853	20,853	20,853
2000	203	5,179	13,665	18,457	19,546	19,767	20,740	20,092	20,833	20,855	20,855	20,853	20,855	20,855	20,833
2001	415	5,470	13,218	17,599	18,553	19,174	19,304	19,548	19,723	19,720	19,721	19,721	19,721	19,721	19,721
2002	308	6,541	14,244	17,502	18,814	19,382	19,772	19,838	19,847	19,878	19,896	19,896	19,896	19,896	19,896
2003	188	6,168	15,537	19,514	20,737	21,138	21,347	21,551	21,560	21,560	21,560	21,560	21,560	21,560	21,560
2004	224	5,729	13,355	16,617	17,847	18,369	18,913	18,953	18,953	18,953	18,953	18,953	18,953	18,953	18,953
2005	269	5,514	14,029	18,220	19,365	20,148	20,286	20,319	20,319	20,319	20,319	20,319	20,319	20,319	20,319
2006	224	6,784	17,291	22,292	23,657	24,537	24,858	25,120	25,120	25,120	25,120	25,120	25,120	25,120	25,120
2007	208	5,499	14,807	18,661	20,120	20,591	20,842	21,048	21,048	21,048	21,048	21,048	21,048	21,048	21,048
2008	140	7,271	18,176	24,280	25,504	26,122	26,453	26,723	26,723	26,723	26,723	26,723	26,723	26,723	26,723
2009	218	11,659	29,369	38,812	40,743	41,719	42,241	42,668	42,668	42,668	42,668	42,668	42,668	42,668	42,668
2010	329	11,766	38,036	50,135	52,609	53,859	54,527	55,074	55,074	55,074	55,074	55,074	55,074	55,074	55,074
2011	289	15,006	41,133	53,165	55,626	56,869	57,534	58,078	58,078	58,078	58,078	58,078	58,078	58,078	58,078
5Yr Paid Ratio	3.798	1.927	1.856	0.882	1.011	0.823	0.483	1.263	0.336	0.063	-0.004	-0.013	-0.019	0.000	
5Yr Res Ratio	3.498	0.478	0.430	0.441	0.657	0.673	0.116	0.619	0.722	0.967	0.966	1.000	0.963	1.000	
All Yr Paid Ratio	3.674	1.853	1.979	1.262	1.226	1.030	0.554	0.882	0.333	0.063	-0.004	-0.013	-0.019	0.000	
All Yr Res Ratio	3.233	0.475	0.450	0.441	0.608	0.640	0.204	0.706	0.724	0.967	0.966	1.000	0.963	1.000	
Sel Paid Ratio	3.798	1.927 0.478	1.856 0.430	0.882	1.011 0.657	0.823	1.000 0.000								
Sel Res Ratio	3.498	0.4/8	0.430	0.441	0.037	0.673	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	

Res Dev to Ult

14.912

3.177

2.614

1.760

1.993

1.496

1.000

1.000

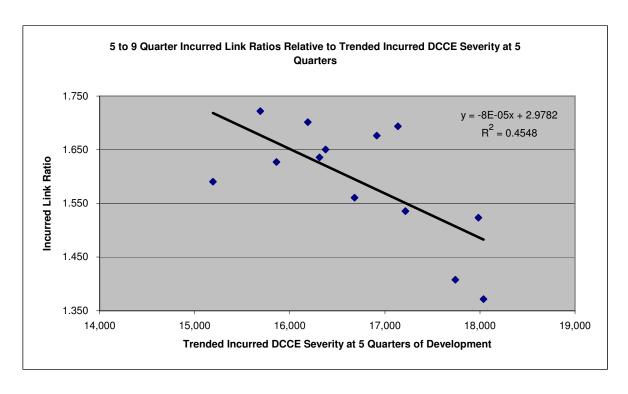
1.000

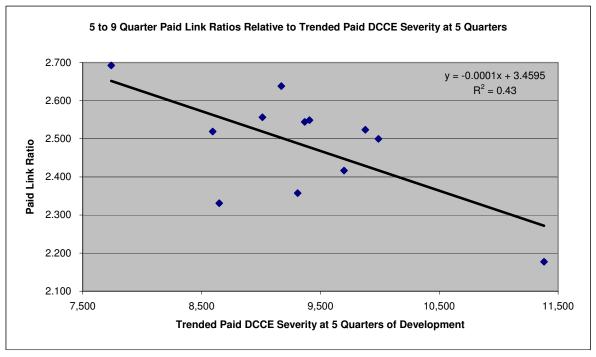
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# The Doctors Company Relationship Between Link Ratio and Loss Amount Southern California





#### **Northern California - Physician Loss (Net of Deductibles)**

#### Summary of Indications and Selections Evaluated @ 3/31/2011 Redding Claims Excluded

California

J j															
		Paid .	Loss Devel	opment	Incurred	d Loss Deve	elopment	$\overline{}_{T}$	rended Severity	Diagn	ostics		Ultimate	Selections	
Report	Ult.	Paid	Least	Selected	Incurred	Least	Selected	Reserve	See	Open	Avg Resv	Sel.	Implied	Implied	Implied
Year	Claim	Loss	Square *	LDF	Loss	Square *	LDF	<u>Development</u>	Exhibit 8 *	Claims	On Open	Ult.	LDF	Ult. Sev.	O/S Sev
1997	504	9,775		9,775	9,775		9,775	9,775		0	0	9,775	1.000	19,394	
1998	457	16,949		16,949	16,949		16,949	16,949		0	0	16,949	1.000	37,087	
1999	406	11,891		11,891	11,891		11,891	11,891		0	0	11,891	1.000	29,288	
2000	394	8,211		8,211	8,211		8,211	8,211		0	0	8,211	1.000	20,840	
2001	406	9,709		9,709	9,709		9,709	9,709		0	0	9,709	1.000	23,914	
2002	480	13,686		13,686	13,686		13,686	13,686		0	0	13,686	1.000	28,513	
2003	378	9,760		9,760	9,760		9,760	9,760		0	0	9,760	1.000	25,821	
2004	289	7,001		7,071	7,001		7,001	7,001		0	0	7,001	1.000	24,224	
2005	346	8,177		8,424	8,407		8,407	8,407		2	115,000	8,407	1.000	24,297	
2006	296	5,919		6,280	5,919		5,859	5,919		0	0	5,919	1.000	19,995	
2007	342	6,197		6,971	7,707		7,440	7,261		8	188,750	7,350	0.954	21,491	144,070
2008	349	3,004		4,054	8,684		6,706	6,636		39	145,641	6,700	0.772	19,198	94,776
2009	431	5,663	12,614	12,612	18,158	9,692	8,974	11,305		104	120,144	11,250	0.620	26,102	53,720
2010	376	963	10,899	10,192	21,218	9,304	7,603	9,208	11,643	244	83,012	10,250	0.483	27,292	38,059

<sup>\*</sup> Multiply severity selection from Exhibit 8, Page 1 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

#### **Incurred Link Ratio Loss Development**

#### Northern California (excluding Redding claims)

#### Unlimited Incurred Loss, Net of Paid Deductible Recoveries

					Unlimited	d Incurred	Loss, Net o	f Paid Ded	uctible Rec	overies					
Report	Development Q														
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	2,568	23,416	18,038	11,539	11,346	10,960	10,110	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	6,553	26,773	15,230	11,820	14,975	15,894	15,894	16,394	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	4,740	18,282	14,753	10,909	10,489	12,234	12,164	12,144	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	5,671	20,580	17,128	10,928	9,153	8,491	8,341	8,221	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	7,394	22,791	19,045	12,603	11,669	10,709	9,709	9,719	10,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	7,792	25,976	22,060	17,543	15,880	15,106	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	5,071 7,995	20,782 20,524	16,684	11,692	9,319 7,633	8,591 8,053	9,357 7,008	9,771 7,001	9,760 7,001	9,760	9,760 7,001	9,760 7,001	9,760 7,001	9,760 7,001	9,760 7,001
2004 2005		28,075	12,686	8,660	8,448	8,033 8,422	8,407	8,407	,	7,001	8,407	8,407	,	8,407	8,407
2005	4,861 6,861	20,978	18,590 12,154	10,793 7,270	6,069	5,919	5,859	5,859	8,407 5,859	8,407 5,859	5,859	5,859	8,407 5,859	5,859	5,859
2007	5,785	19,715	14,434	9,975	7,707	7,515	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440
2007	6,430	21,520	14,434	8,684	6,947	6,773	6,706	6,706	6,706	6,706	6,706	6,706	6,706	6,706	6,706
2009	6,660	23,256	18,158	11,621	9,297	9,065	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974	8,974
2010	5,258	21,218	15,383	9,845	7,876	7,679	7,603	7,603	7,603	7,603	7,603	7,603	7,603	7,603	7,603
2010	6,910	6,219	4,509	2,886	2,308	2,251	2,228	2,228	2,228	2,228	2,228	2,228	2,228	2,228	2,228
2011	0,710	0,217	4,507	2,000	2,300	2,231	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220	2,220
California															
AGE:AGE I	FACTORS														
Report	Development In	terval													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	9.119	0.770	0.640	0.983	0.966	0.922	0.967	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	4.086	0.569	0.776	1.267	1.061	1.000	1.031	1.034	1.000	1.000	1.000	1.000	1.000		
1999	3.857	0.807	0.739	0.961	1.166	0.994	0.998	0.979	1.000	1.000	1.000	1.000			
2000	3.629	0.832	0.638	0.838	0.928	0.982	0.986	0.999	1.000	1.000	1.000				
2001	3.082	0.836	0.662	0.926	0.918	0.907	1.001	1.102	0.907	1.000					
2002	3.334	0.849	0.795	0.905	0.951	0.906	1.000	1.000	1.000						
2003	4.098	0.803	0.701	0.797	0.922	1.089	1.044	0.999							
2004	2.567	0.618	0.683	0.881	1.055	0.870	0.999								
2005	5.776	0.662	0.581	0.783	0.997	0.998									
2006	3.058	0.579	0.598	0.835	0.975										
2007	3.408	0.732	0.691	0.773											
2008	3.347	0.657	0.614												
2009	3.492	0.781													
2010	4.035														
Age-to-Age															
Avg	1.016	0.730	0.676	0.904	0.994	0.963	1.003	1.016	0.985	1.000	1.000	1.000	1.000	1.000	
Avg5	0.867	0.682	0.633	0.814	0.980	0.954	1.006	1.016	0.981	1.000	1.000	1.000	1.000	1.000	
Avg3	0.906	0.723	0.635	0.797	1.009	0.986	1.014	1.034	0.969	1.000	1.000	1.000	1.000	1.000	
Wtd	0.879	0.742	0.683	0.911	0.994	0.962	1.005	1.016	0.986	1.000	1.000	1.000	1.000	1.000	
Wtd5	0.861	0.682	0.630	0.810	0.973	0.947	1.006	1.013	0.984	1.000	1.000	1.000	1.000	1.000	
Wtd3	0.899	0.724	0.637	0.793	1.011	0.988	1.014	1.029	0.969	1.000	1.000	1.000	1.000	1.000	
Selected	0.900	0.725	0.640	0.800	0.975	0.990	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultim		0.400	0.500	0.000	0.061	0.065	1.004	1.000	0.004	1.000	1.000	1.000	1.000	1.000	
Avg	0.436	0.429	0.588	0.869	0.961	0.967	1.004	1.000	0.984	1.000	1.000	1.000	1.000	1.000	
Avg5	0.286	0.330	0.483	0.763	0.938	0.957	1.003	0.997	0.981	1.000	1.000	1.000	1.000	1.000	
Avg3 Wtd	0.335	0.370	0.511 0.599	0.805	1.011 0.963	1.002 0.968	1.016	1.001 1.002	0.969	1.000	1.000 1.000	1.000	1.000	1.000	
	0.391	0.444		0.877			1.007		0.986	1.000		1.000	1.000	1.000	
Wtd5	0.277	0.322	0.472	0.748	0.924	0.950	1.003	0.997	0.984	1.000	1.000	1.000	1.000	1.000	
Wtd3	0.332	0.370	0.510	0.801	1.011	1.000	1.012	0.998	0.969	1.000	1.000	1.000	1.000	1.000	

Selected

0.322

0.358

0.494

0.772

0.965

0.990

1.000

1.000

1.000

1.000

1.000

1.000

1.000

#### **The Doctors Company** Paid Link Ratio Loss Development Northern California (excluding Redding claims)

Unlimited Paid Loss	, Net of Paid	Deductible	Recoveries
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					Cililini	cu i aiu Lo	33, 1100 01 1	uia Deauci	ibic itecore	CIICS					
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	-	1,143	3,674	8,441	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	-	275	3,445	6,390	13,015	14,894	14,894	15,948	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	-	320	3,834	8,630	9,849	11,844	11,894	11,894	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	-	1,332	4,568	5,943	7,368	8,181	8,181	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	1	208	3,129	8,398	9,274	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	-	1,722	7,944	11,273	13,385	13,686	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	-	145	4,318	6,942	7,559	7,893	8,187	9,766	9,760	9,760	9,760	9,760	9,760	9,760	9,760
2004	-	483	3,824	4,740	5,903	6,023	7,008	7,001	7,071	7,071	7,071	7,071	7,071	7,071	7,071
2005	-	582	4,725	7,908	8,078	8,177	8,177	8,340	8,424	8,424	8,424	8,424	8,424	8,424	8,424
2006	-	193	2,735	5,170	5,919	5,919	6,096	6,218	6,280	6,280	6,280	6,280	6,280	6,280	6,280
2007	-	375	3,743	5,855	6,197	6,569	6,766	6,902	6,971	6,971	6,971	6,971	6,971	6,971	6,971
2008	-	1,751	2,309	3,004	3,604	3,821	3,935	4,014	4,054	4,054	4,054	4,054	4,054	4,054	4,054
2009	-	2,714	5,663	9,344	11,213	11,886	12,242	12,487	12,612	12,612	12,612	12,612	12,612	12,612	12,612
2010	6	963	4,577	7,551	9,062	9,605	9,894	10,091	10,192	10,192	10,192	10,192	10,192	10,192	10,192
2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### California

AGE:AGE	FACTORS													
Report	Development In	nterval												
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57
1997	1.000	3.214	2.298	1.158	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
1998	1.000	12.528	1.855	2.037	1.144	1.000	1.071	1.063	1.000	1.000	1.000	1.000	1.000	
1999	1.000	11.997	2.251	1.141	1.203	1.004	1.000	1.000	1.000	1.000	1.000	1.000		
2000	1.000	3.429	1.301	1.240	1.110	1.000	1.004	1.000	1.000	1.000	1.000			
2001	185.908	15.030	2.683	1.104	1.047	1.000	1.000	1.000	1.000	1.000				
2002	1.000	4.613	1.419	1.187	1.023	1.000	1.000	1.000	1.000					
2003	1.000	29.683	1.608	1.089	1.044	1.037	1.193	0.999						
2004	1.000	7.917	1.239	1.245	1.020	1.164	0.999							
2005	1.000	8.114	1.674	1.021	1.012	1.000								
2006	1.000	14.188	1.891	1.145	1.000									
2007	1.000	9.971	1.564	1.058										
2008	1.000	1.319	1.301											
2009	1.000	2.087												
2010	167.798													
Age-to-Age														
Avg	6.530	9.545	1.757	1.221	1.060	1.023	1.033	1.009	1.000	1.000	1.000	1.000	1.000	1.000
Avg5	8.590	7.136	1.534	1.112	1.020	1.040	1.039	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg3	14.150	4.459	1.585	1.075	1.011	1.067	1.064	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd	381.464	4.762	1.666	1.209	1.066	1.015	1.032	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Wtd5	261.087	3.415	1.539	1.099	1.021	1.028	1.034	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd3	236.353	2.420	1.597	1.067	1.011	1.058	1.054	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	375.000	4.750	1.650	1.200	1.060	1.030	1.020	1.010	1.000	1.000	1.000	1.000	1.000	1.000
Age-to-Ultin														
Avg	151.121	23.141	2.424	1.380	1.131	1.066	1.042	1.009	1.000	1.000	1.000	1.000	1.000	1.000
Avg5	115.192	13.410	1.879	1.225	1.102	1.081	1.039	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Avg3	123.341	8.717	1.955	1.233	1.147	1.135	1.064	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd	4,134.764	10.839	2.276	1.366	1.131	1.060	1.045	1.013	1.000	1.000	1.000	1.000	1.000	1.000
Wtd5	1,636.856	6.269	1.836	1.193	1.085	1.063	1.034	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Wtd3	1,098.463	4.648	1.920	1.203	1.128	1.115	1.054	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Selected	3,966.932	10.578	2.227	1.350	1.125	1.061	1.030	1.010	1.000	1.000	1.000	1.000	1.000	1.000

## The Doctors Company Severity Least Squares Incurred Loss Development Northern California (excluding Redding claims) Unlimited Incurred Loss, Net of Paid Deductible Recoveries

Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	2,568	23,416	18,038	11,539	11,346	10,960	10,110	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	6,553	26,773	15,230	11,820	14,975	15,894	15,894	16,394	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	4,740	18,282	14,753	10,909	10,489	12,234	12,164	12,144	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	5,671	20,580	17,128	10,928	9,153	8,491	8,341	8,221	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	7,394	22,791	19,045	12,603	11,669	10,709	9,709	9,719	10,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	7,792	25,976	22,060	17,543	15,880	15,106	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	5,071	20,782	16,684	11,692	9,319	8,591	9,357	9,771	9,760	9,760	9,760	9,760	9,760	9,760	9,760
2004	7,995	20,524	12,686	8,660	7,633	8,053	7,008	7,001	7,001	7,001	7,001	7,001	7,001	7,001	7,001
2005	4,861	28,075	18,590	10,793	8,448	8,422	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407
2006	6,861	20,978	12,154	7,270	6,069	5,919	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859	5,859
2007	5,785	19,715	14,434	9,975	7,707	7,515	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440	7,440
2008	6,430	21,520	14,131	8,684	6,947	6,773	6,706	6,706	6,706	6,706	6,706	6,706	6,706	6,706	6,706
2009	6,660	23,256	18,158	12,551	10,041	9,790	9,692	9,692	9,692	9,692	9,692	9,692	9,692	9,692	9,692
2010	5,258	21,218	17,645	12,048	9,639	9,398	9,304	9,304	9,304	9,304	9,304	9,304	9,304	9,304	9,304
2011	6,910	7,641	5,748	3,901	3,120	3,042	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012	3,012

Incurred	Loss	Trended	Severity

Report	Development Qu	iarter														keport Year	i rena
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	28,797	65,646	50,570	32,350	31,808	30,726	28,342	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	504	1.413
1998	79,061	80,758	45,941	35,654	45,172	47,942	47,942	49,451	51,122	51,122	51,122	51,122	51,125	51,125	51,125	457	1.379
1999	62,806	60,560	48,870	36,135	34,744	40,527	40,295	40,229	39,401	39,401	39,401	39,389	39,389	39,389	39,389	406	1.345
2000	75,535	68,536	57,039	36,391	30,480	28,277	27,777	27,377	27,344	27,344	27,344	27,344	27,344	27,344	27,344	394	1.312
2001	93,246	71,857	60,049	39,735	36,792	33,765	30,612	30,644	33,765	30,612	30,612	30,612	30,612	30,612	30,612	406	1.280
2002	81,088	67,584	57,396	45,644	41,316	39,303	35,597	35,596	35,594	35,608	35,608	35,608	35,608	35,608	35,608	480	1.249
2003	65,381	66,988	53,776	37,688	30,037	27,690	30,162	31,496	31,461	31,461	31,461	31,461	31,461	31,461	31,461	378	1.218
2004	131,537	84,417	52,179	35,617	31,395	33,122	28,824	28,795	28,795	28,795	28,795	28,795	28,795	28,795	28,795	289	1.189
2005	65,171	94,099	62,309	36,174	28,314	28,227	28,177	28,177	28,177	28,177	28,177	28,177	28,177	28,177	28,177	346	1.160
2006	104,900	80,184	46,458	27,789	23,196	22,623	22,396	22,396	22,396	22,396	22,396	22,396	22,396	22,396	22,396	296	1.131
2007	74,685	63,632	46,586	32,195	24,876	24,254	24,012	24,012	24,012	24,012	24,012	24,012	24,012	24,012	24,012	342	1.104
2008	79,363	66,403	43,605	26,795	21,436	20,900	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	20,691	349	1.077
2009	64,934	56,690	44,263	30,594	24,475	23,863	23,625	23,625	23,625	23,625	23,625	23,625	23,625	23,625	23,625	431	1.051
2010	57,403	57,909	48,155	32,882	26,306	25,648	25,392	25,392	25,392	25,392	25,392	25,392	25,392	25,392	25,392	376	1.025
2011	60,585	66,992	50,394	34,198	27,359	26,675	26,408	26,408	26,408	26,408	26,408	26,408	26,408	26,408	26,408	114	1.000
Least Squares	Parameter Estima	ations															
	1.5	5.0	0.12	12.17	17.01	21.25	25.20	20.22	22.27	27.41	41.45	45.40	10.52				

1:5 5:9 9:13 13:17 17:21 21:25 25:29 29:33 33:37 37:41 41:45 45:49 49:53 53,685 33,881 4,573 -2,375 -3,069 180 -2,048 -182 -1,097 0 0 0 a= 0.220 0.246 0.588 0.972 1.089 0.956 1.066 1.021 1.016 1.000 1.000 1.000 1.000 b= LS Use Indic 0 0 0 0 0 0 0 0 Link Ratio 0.900 0.725 0.640 0.800 0.975 0.990 1.000 1.000 1.000 1.000 1.000 1.000 1.000

Regression is of the form y = a + bx

#### The Doctors Company Severity Least Squares Paid Loss Development Northern California (excluding Redding claims) Unlimited Paid Loss, Net of Paid Deductible Recoveries

						Cimilitie	cu i aiu Los	5, 1101 01 1 6	na Deaucin	DIE KECUVEI	105				
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	-	1,143	3,674	8,441	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	-	275	3,445	6,390	13,015	14,894	14,894	15,948	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	-	320	3,834	8,630	9,849	11,844	11,894	11,894	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	-	1,332	4,568	5,943	7,368	8,181	8,181	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	1	208	3,129	8,398	9,274	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	-	1,722	7,944	11,273	13,385	13,686	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	-	145	4,318	6,942	7,559	7,893	8,187	9,766	9,760	9,760	9,760	9,760	9,760	9,760	9,760
2004	-	483	3,824	4,740	5,903	6,023	7,008	7,001	7,071	7,071	7,071	7,071	7,071	7,071	7,071
2005	-	582	4,725	7,908	8,078	8,177	8,177	8,340	8,424	8,424	8,424	8,424	8,424	8,424	8,424
2006	-	193	2,735	5,170	5,919	5,919	6,096	6,218	6,280	6,280	6,280	6,280	6,280	6,280	6,280
2007	-	375	3,743	5,855	6,197	6,569	6,766	6,902	6,971	6,971	6,971	6,971	6,971	6,971	6,971
2008	-	1,751	2,309	3,004	3,604	3,821	3,935	4,014	4,054	4,054	4,054	4,054	4,054	4,054	4,054
2009	-	2,714	5,663	9,346	11,215	11,888	12,245	12,489	12,614	12,614	12,614	12,614	12,614	12,614	12,614
2010	6	963	4,747	8,075	9,690	10,272	10,580	10,792	10,899	10,899	10,899	10,899	10,899	10,899	10,899
2011	-	294	1,476	2,512	3,015	3,196	3,291	3,357	3,391	3,391	3,391	3,391	3,391	3,391	3,391

Paid Loss 7	Frended Severity
Report	Development Quarter

Report	Development Qu	ıarter														Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	0	3,205	10,300	23,666	27,404	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	27,403	504	1.413
1998	0	830	10,392	19,275	39,260	44,926	44,926	48,106	51,122	51,122	51,122	51,122	51,125	51,125	51,125	457	1.379
1999	0	1,059	12,702	28,587	32,624	39,235	39,401	39,401	39,401	39,401	39,401	39,389	39,389	39,389	39,389	406	1.345
2000	0	4,437	15,213	19,790	24,535	27,244	27,244	27,344	27,344	27,344	27,344	27,344	27,344	27,344	27,344	394	1.312
2001	14	656	9,867	26,477	29,241	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	30,612	406	1.280
2002	0	4,481	20,669	29,330	34,824	35,608	35,597	35,596	35,594	35,608	35,608	35,608	35,608	35,608	35,608	480	1.249
2003	0	469	13,917	22,378	24,364	25,442	26,389	31,480	31,461	31,461	31,461	31,461	31,461	31,461	31,461	378	1.218
2004	0	1,987	15,729	19,494	24,280	24,773	28,824	28,795	29,083	29,083	29,083	29,083	29,083	29,083	29,083	289	1.189
2005	0	1,952	15,837	26,504	27,074	27,406	27,406	27,954	28,233	28,233	28,233	28,233	28,233	28,233	28,233	346	1.160
2006	0	737	10,453	19,762	22,623	22,623	23,301	23,767	24,005	24,005	24,005	24,005	24,005	24,005	24,005	296	1.131
2007	0	1,211	12,079	18,897	20,002	21,203	21,839	22,275	22,498	22,498	22,498	22,498	22,498	22,498	22,498	342	1.104
2008	0	5,404	7,126	9,268	11,122	11,789	12,143	12,386	12,510	12,510	12,510	12,510	12,510	12,510	12,510	349	1.077
2009	0	6,615	13,805	22,782	27,338	28,979	29,848	30,445	30,749	30,749	30,749	30,749	30,749	30,749	30,749	431	1.051
2010	63	2,630	12,956	22,039	26,447	28,034	28,875	29,452	29,747	29,747	29,747	29,747	29,747	29,747	29,747	376	1.025
2011	0	2,580	12,941	22,026	26,431	28,017	28,858	29,435	29,729	29,729	29,729	29,729	29,729	29,729	29,729	114	1.000
	B . B.																
Least Squares	s Parameter Estim	ations															

Least Squares Pa	rameter Estim	ations											
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53
a=	2,580	12,172	10,697	12,749	-6,205	3,082	272	-3,835	2	0	0	-4	0
b=	-5.828	0.298	0.875	0.653	1.283	0.920	1.024	1.124	1.000	1.000	1.000	1.000	1.000
LS Use Indic	I	1	1	0	0	0	0	0	0	0	0	0	0
Link Ratio	375.000	4.750	1.650	1.200	1.060	1.030	1.020	1.010	1.000	1.000	1.000	1.000	1.000

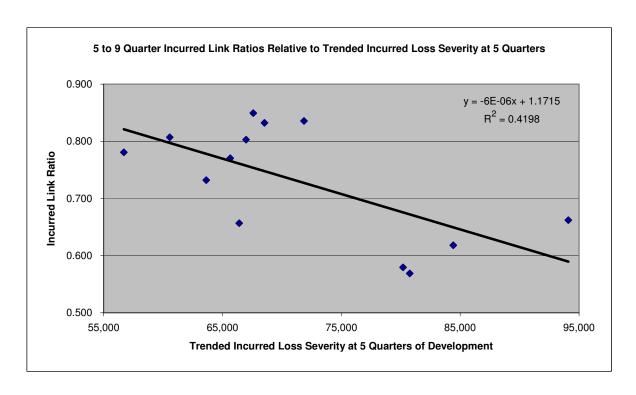
Regression is of the form y = a + bx

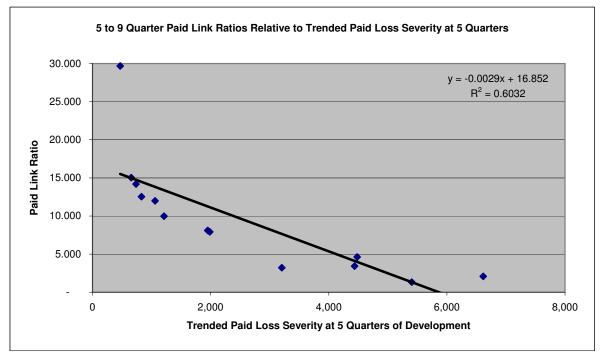
#### **Reserve Development Method**

### Northern California (excluding Redding claims) Unlimited Loss, Net of Paid Deductible Recoveries

					Unlimited	l Loss, Net o	f Paid Dedu	ctible Recove	eries						
Loss Reserves															
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	2,568	22,273	14,364	3,098	1,571	1,185	335	0	0	0	0	0	0	0	0
1998	6,553	26,498	11,785	5,430	1,960	1,000	1,000	446	0	0	0	0	0_	0	0
1999	4,740	17,963	10,919	2,279	640	390	270	250	0	0	0	0_	0	0	0
2000	5,671	19,248	12,560	4,985	1,785	310	160	10	0	0	0_	0	0	0	0
2001	7,393	22,583	15,916	4,205	2,395	1,000	0	10	1,000	0_	0	0	0	0	0
2002	7,792	24,254	14,116	6,270	2,495	1,420	0	0	0	0	0	0	0	0	0
2003	5,071	20,637	12,366	4,750	1,760	698	1,171	5_	0	0	0	0	0	0	0
2004	7,995	20,041	8,862	3,920	1,730	2,030	0_	0	0	0	0	0	0	0	0
2005	4,861	27,493	13,865	2,885	370	245	230	0	0	0	0	0	0	0	0
2006	6,861	20,785	9,420	2,100	150	0	0	0	0	0	0	0	0	0	0
2007	5,785	19,340	10,691	4,120	1,510	841	322	0	0	0	0	0	0	0	0
2008	6,430	19,769	11,822	5,680	2,111	1,176	450	0	0	0	0	0	0	0	0
2009	6,660	20,543	12,495	4,235	1,574	877	335	0	0	0	0	0	0	0	0
2010	5,253	20,255	11,457	3,883	1,443	804	308	0	0	0	0	0	0	0	0
2011	6,910	24,926	14,099	4,779	1,776	990	378	0	0	0	0	0	0	0	0
Paid Loss															
Report	Development Q														
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	0	1,143	3,674	8,441	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775	9,775
1998	0	275	3,445	6,390	13,015	14,894	14,894	15,948	16,948	16,948	16,948	16,948	16,949	16,949	16,949
1999	0	320	3,834	8,630	9,849	11,844	11,894	11,894	11,894	11,894	11,894	11,891	11,891	11,891	11,891
2000	0	1,332	4,568	5,943	7,368	8,181	8,181	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211
2001	1	208	3,129	8,398	9,274	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709	9,709
2002	0	1,722	7,944	11,273	13,385	13,686	13,682	13,681	13,681	13,686	13,686	13,686	13,686	13,686	13,686
2003	0	145	4,318	6,942	7,559	7,893	8,187	9,766	9,760	9,760	9,760	9,760	9,760	9,760	9,760
2004	0	483	3,824	4,740	5,903	6,023	7,008	7,001	7,001	7,001	7,001	7,001	7,001	7,001	7,001
2005	0	582	4,725	7,908	8,078	8,177	8,177	8,407	8,407	8,407	8,407	8,407	8,407	8,407	8,407
2006	0	193	2,735	5,170	5,919	5,919	5,919	5,919	5,919	5,919	5,919	5,919	5,919	5,919	5,919
2007	0	375	3,743	5,855	6,197	6,805	6,940	7,261	7,261	7,261	7,261	7,261	7,261	7,261	7,261
2008	0	1,751	2,309	3,004	5,149	5,998	6,186	6,636	6,636	6,636	6,636	6,636	6,636	6,636	6,636
2009	0	2,714	5,663	8,597	10,197	10,830	10,970	11,305	11,305	11,305	11,305	11,305	11,305	11,305	11,305
2010	6	963	4,034	6,725	8,191	8,772	8,900	9,208	9,208	9,208	9,208	9,208	9,208	9,208	9,208
2011	0	1,008	4,787	8,098	9,903	10,617	10,776	11,154	11,154	11,154	11,154	11,154	11,154	11,154	11,154
5Yr Paid Ratio	0.193	0.126	0.171	0.171	0.131	0.236	1.204	-0.024	0.005	1.000	1.000	1.000	1.000	1.000	
5Yr Res Ratio	3.249	0.540	0.342	0.311	0.675	0.260	0.019	3.636	0.000	0.000	0.000	0.000	0.000	0.000	
o 11 res rento	3.2.7	0.5.0	0.5 .2	0.511	0.075	0.200	0.019	5.050	0.000	0.000	0.000	0.000	0.000	0.000	
All Yr Paid Ratio	0.146	0.152	0.235	0.378	0.402	0.160	0.905	1.378	0.005	1.000	1.000	1.000	1.000	1.000	
All Yr Res Ratio	3.607	0.566	0.339	0.372	0.557	0.382	0.246	1.387	0.000	0.000	0.000	0.000	0.000	0.000	
Sel Paid Ratio	0.146	0.152	0.235	0.378	0.402	0.160	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Sel Res Ratio	3.607	0.566	0.339	0.372	0.557	0.382	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
D D		0.40=	0.453	0.620	0.707	0.545	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
Res Dev to Ult	1.614	0.407	0.452	0.639	0.705	0.542	1.000	1.000	1.000	1.000	1.000	1.000	1.000		

# The Doctors Company Relationship Between Link Ratio and Loss Amount Northern California





#### Northern California - Physician DCCE

#### Summary of Indications and Selections Evaluated @ 3/31/2011 Redding Claims Excluded

California

Carryonina															
		Paid D	CCE Deve	lopment	Incurred	DCCE Dev	elopment	T	rended Severity	Diagn	ostics		Ultimate	Selections	
Report Year	Ult. Claim	Paid DCCE	Least Square *	Selected LDF	Incurred DCCE	Least Square *	Selected LDF	Reserve Development	See Exhibit 8 *	Open Claims	Avg Resv On Open	Sel. Ult.	Implied LDF	Implied Ult. Sev.	Implied O/S Sev
1997	504	7,094		7,094	7,094		7,094	7,094		0	0	7,094	1.000	14,076	
1998	457	7,410		7,410	7,410		7,410	7,410		0	0	7,410	1.000	16,215	
1999	406	6,958		6,958	6,958		6,958	6,958		0	0	6,958	1.000	17,138	
2000	394	5,393		5,393	5,393		5,393	5,393		0	0	5,393	1.000	13,689	
2001	406	6,645		6,645	6,645		6,645	6,645		0	0	6,645	1.000	16,367	
2002	480	9,898		9,898	9,898		9,898	9,898		0	0	9,898	1.000	20,621	
2003	378	8,022		8,022	8,022		8,022	8,022		0	0	8,022	1.000	21,222	
2004	289	5,753		5,765	5,753		5,765	5,753		0	0	5,753	1.000	19,907	
2005	346	7,494		7,584	7,513		7,603	7,513		2	9,365	7,513	1.000	21,714	
2006	296	6,373	6,643	6,643	6,373	6,611	6,611	6,373		0	0	6,373	1.000	21,530	
2007	342	7,730		8,380	7,870		8,449	8,254		8	17,421	8,400	1.067	24,561	83,723
2008	349	8,385		10,227	8,990		10,473	10,916		39	15,514	10,500	1.168	30,086	54,224
2009	431	6,161		11,083	7,983		12,276	13,684		104	17,520	12,750	1.597	29,582	63,354
2010	376	2,351	11,454	12,689	5,065	11,838	13,629	13,337	11,643	244	11,121	13,250	2.616	35,280	44,667

<sup>\*</sup> Multiply severity selection from Exhibit 8, Page 2 by ultimate claim counts.

Note: Excludes Hospitals and Facilities.

## The Doctors Company Incurred Link Ratio Loss Development Northern California (excluding Redding claims) Incurred DCCE

_	la						incurred .	DCCE							
Report	Development C														
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	646	3,673	4,645	6,090	6,656	6,813	7,016	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094
1998	650	3,261	4,939	6,261	6,912	7,258	7,328	7,379	7,400	7,404	7,409	7,410	7,410	7,410	7,410
1999	336	2,908	4,794	6,126	6,747	6,806	6,821	6,885	6,958	6,958	6,958	6,958	6,958	6,958	6,958
2000	589	2,494	3,658	4,595	5,084	5,320	5,378	5,397	5,393	5,393	5,393	5,393	5,393	5,393	5,393
2001	499	2,655	4,797	5,701	6,428	6,590	6,636	6,646	6,668	6,645	6,645	6,645	6,645	6,645	6,645
2002	570	3,296	5,863	8,139	9,067	9,571	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898
2003	473	2,761	5,026	6,294	6,910	7,275	7,832	8,017	8,022	8,022	8,022	8,022	8,022	8,022	8,022
2004	416	2,347	3,916	4,996	5,419	5,674	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765
2005	314	2,971	5,110	6,691	7,388	7,484	7,513	7,588	7,603	7,603	7,603	7,603	7,603	7,603	7,603
2006	498	2,603	4,679	5,925	6,311	6,373	6,532	6,597	6,611	6,611	6,611	6,611	6,611	6,611	6,611
2007	423	2,781	5,546	7,275	7,870	8,145	8,349	8,432	8,449	8,449	8,449	8,449	8,449	8,449	8,449
2008	423	3,814	6,554	8,990	9,754	10,096	10,348	10,452	10,473	10,473	10,473	10,473	10,473	10,473	10,473
2009	599	4,840	7,983	10,538	11,434	11,834	12,130	12,251	12,276	12,276	12,276	12,276	12,276	12,276	12,276
2010	667	5,065	8,863	11,700	12,694	13,138	13,467	13,601	13,629	13,629	13,629	13,629	13,629	13,629	13,629
2011	1,059	2,118	3,707	4,893	5,309	5,495	5,632	5,688	5,700	5,700	5,700	5,700	5,700	5,700	5,700
C Pre															
California	EL CEODO														
AGE:AGE F	•	1													
Report Year	Development In 1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	5.683	1.265	1.311	1.093	1.024	1.030	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1997	5.014	1.514	1.268	1.104	1.024	1.030	1.011	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1999	8.644	1.649	1.278	1.104	1.009	1.002	1.010	1.003	1.000	1.001	1.000	1.000	1.000		
2000	4.234	1.467	1.276	1.101	1.009	1.002	1.010	0.999	1.000	1.000	1.000	1.000			
2000	5.325	1.806	1.189	1.107	1.025	1.007	1.003	1.003	0.997	1.000	1.000				
2001	5.779	1.779	1.388	1.114	1.025	1.030	1.002	1.000	1.000	1.000					
2002	5.841	1.820	1.252	1.098	1.053	1.077	1.024	1.000	1.000						
2004	5.642	1.668	1.276	1.085	1.047	1.013	1.001	1.001							
2005	9.460	1.720	1.309	1.104	1.013	1.004	1.001								
2006	5.226	1.798	1.266	1.065	1.010	1.004									
2007	6.578	1.994	1.312	1.082	1.010										
2008	9.011	1.719	1.372	1.002											
2009	8.075	1.650	1.372												
2010	7.595	1.050													
Age-to-Age	7.075														
Avg	1.645	1.681	1.290	1.098	1.033	1.020	1.008	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	1.824	1.776	1.307	1.087	1.036	1.026	1.007	1.003	0.999	1.000	1.000	1.000	1.000	1.000	
Avg3	2.057	1.787	1.317	1.084	1.023	1.031	1.009	1.001	0.999	1.000	1.000	1.000	1.000	1.000	
Wtd	1.628	1.731	1.294	1.098	1.033	1.021	1.008	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	1.830	1.756	1.313	1.087	1.037	1.027	1.007	1.003	0.999	1.000	1.000	1.000	1.000	1.000	
Wtd3	2.030	1.756	1.322	1.084	1.022	1.032	1.010	1.001	0.999	1.000	1.000	1.000	1.000	1.000	
Selected	2.000	1.750	1.320	1.085	1.035	1.025	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultim															
Avg	4.168	2.534	1.508	1.169	1.064	1.030	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	4.935	2.705	1.523	1.165	1.072	1.035	1.009	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	5.589	2.717	1.520	1.155	1.065	1.041	1.010	1.000	0.999	1.000	1.000	1.000	1.000	1.000	
Wtd	4.268	2.622	1.515	1.171	1.066	1.032	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	4.929	2.694	1.534	1.169	1.075	1.037	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	5.446	2.683	1.527	1.155	1.065	1.043	1.010	1.000	0.999	1.000	1.000	1.000	1.000	1.000	
0.11															

Selected

5.382

2.691

1.538

1.165

1.074

1.037

1.012

1.002

1.000

1.000

1.000

1.000

1.000

## The Doctors Company Paid Link Ratio Loss Development Northern California (excluding Redding claims) Paid DCCE

_							Paid Do	CCE							
	Development C							••							
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997 1998	123	1,521	3,738	5,767	6,420 6,785	6,684	7,005	7,094	7,094	7,094	7,094	7,094	7,094 7,410	7,094	7,094
	96	1,551	4,101	5,740	,	7,247	7,322	7,364	7,400	7,403	7,409	7,410		7,410	7,410
1999 2000	30 53	1,232 1,189	3,741	5,847	6,647	6,745	6,807	6,881	6,958 5,393	6,958	6,958	6,958 5,393	6,958 5,393	6,958	6,958
		,	3,164	4,412	4,955	5,302	5,362	5,393		5,393	5,393	6,645	,	5,393	5,393
2001 2002	36 75	1,219 1,775	3,934 5,008	5,435 7,754	6,257 8,883	6,538 9,480	6,636 9,856	6,637 9,898	6,642 9,898	6,645 9,898	6,645 9,898	9,898	6,645 9,898	6,645 9,898	6,645 9,898
2002	61	1,773	4,215	5,989	6,765	7,170	7,766	8,014	8,022	8,022	8,022	8,022	8,022	8,022	8,022
2003	19	1,215	3,434	4,840	5,336	5,594	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765
2004	8	1,653	4,434	6,328	7,277	7,417	7,494	7,569	7,584	7,584	7,584	7,584	7,584	7,584	7,584
2005	23	1,471	4,019	5,792	6,302	6,373	6,564	6,630	6,643	6,643	6,643	6,643	6,643	6,643	6,643
2007	31	1,471	4,721	6,839	7,730	8,039	8,281	8,363	8,380	8,380	8,380	8,380	8,380	8,380	8,380
2008	17	1,775	5,383	8,385	9,433	9,811	10,105	10,206	10,227	10,227	10,227	10,227	10,227	10,227	10,227
2009	20	2,206	6,161	9,088	10,224	10,633	10,103	11,061	11,083	11,083	11,083	11,083	11,083	11,083	11,083
2010	28	2,351	7,054	10,404	11,705	12,173	12,538	12,664	12,689	12,689	12,689	12,689	12,689	12,689	12,689
2010	22	267	800	1,179	1,327	1,380	1,421	1,435	1,438	1,438	1,438	1,438	1,438	1,438	1,438
2011	1 22	207	000	1,177	1,327	1,500	1,421	1,433	1,430	1,430	1,450	1,450	1,450	1,430	1,450
California															
AGE:AGE F	ACTORS														
Report	Development In	nterval													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	12.388	2.458	1.543	1.113	1.041	1.048	1.013	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
1998	16.102	2.645	1.400	1.182	1.068	1.010	1.006	1.005	1.000	1.001	1.000	1.000	1.000		
1999	41.506	3.035	1.563	1.137	1.015	1.009	1.011	1.011	1.000	1.000	1.000	1.000			
2000	22.295	2.660	1.395	1.123	1.070	1.011	1.006	1.000	1.000	1.000	1.000				
2001	34.002	3.228	1.382	1.151	1.045	1.015	1.000	1.001	1.001	1.000					
2002	23.543	2.822	1.548	1.146	1.067	1.040	1.004	1.000	1.000						
2003	24.674	2.781	1.421	1.130	1.060	1.083	1.032	1.001							
2004	63.683	2.826	1.410	1.102	1.048	1.028	1.001								
2005	205.399	2.682	1.427	1.150	1.019	1.010									
2006	64.840	2.733	1.441	1.088	1.011										
2007	46.651	3.296	1.449	1.130											
2008	102.771	3.032	1.558												
2009	109.759	2.793													
2010	84.713														
Age-to-Age															
Avg	15.220	2.846	1.461	1.132	1.044	1.028	1.009	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	20.437	2.907	1.457	1.120	1.041	1.035	1.009	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	24.770	3.040	1.482	1.123	1.026	1.040	1.012	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	11.975	2.890	1.459	1.133	1.045	1.029	1.009	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	19.482	2.895	1.464	1.122	1.043	1.036	1.009	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	24.308	3.005	1.488	1.124	1.025	1.041	1.013	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	12.000	3.000	1.475	1.125	1.040	1.030	1.010	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultima															
Avg	77.867	5.116	1.798	1.230	1.087	1.041	1.012	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Avg5	105.705	5.172	1.779	1.221	1.090	1.047	1.012	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	135.620	5.475	1.801	1.215	1.082	1.054	1.013	1.001	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	62.286	5.201	1.800	1.233	1.088	1.042	1.012	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	101.216	5.195	1.794	1.226	1.093	1.049	1.012	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	132.071	5.433	1.808	1.215	1.081	1.055	1.013	1.001	1.000	1.000	1.000	1.000	1.000	1.000	

Selected

64.760

5.397

1.799

1.220

1.084

1.042

1.012

1.002

1.000

1.000

1.000

1.000

1.000

## The Doctors Company Severity Least Squares Incurred Loss Development Northern California (excluding Redding claims) Incurred DCCE

Report	Development Qu	ıarter															
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	646	3,673	4,645	6,090	6,656	6,813	7,016	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094		
1998	650	3,261	4,939	6,261	6,912	7,258	7,328	7,379	7,400	7,404	7,409	7,410	7,410	7,410	7,410		
1999	336	2,908	4,794	6,126	6,747	6,806	6,821	6,885	6,958	6,958	6,958	6,958	6,958	6,958	6,958		
2000	589	2,494	3,658	4,595	5,084	5,320	5,378	5,397	5,393	5,393	5,393	5,393	5,393	5,393	5,393		
2001	499	2,655	4,797	5,701	6,428	6,590	6,636	6,646	6,668	6,645	6,645	6,645	6,645	6,645	6,645		
2002	570	3,296	5,863	8,139	9,067	9,571	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898		
2003	473	2,761	5,026	6,294	6,910	7,275	7,832	8,017	8,022	8,022	8,022	8,022	8,022	8,022	8,022		
2004	416	2,347	3,916	4,996	5,419	5,674	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765		
2005	314	2,971	5,110	6,691	7,388	7,484	7,513	7,588	7,603	7,603	7,603	7,603	7,603	7,603	7,603		
2006	498	2,603	4,679	5,925	6,311	6,373	6,532	6,597	6,611	6,611	6,611	6,611	6,611	6,611	6,611		
2007	423	2,781	5,546	7,275	7,870	8,145	8,349	8,432	8,449	8,449	8,449	8,449	8,449	8,449	8,449		
2008	423	3,814	6,554	8,990	9,754	10,096	10,348	10,452	10,473	10,473	10,473	10,473	10,473	10,473	10,473		
2009	599	4,840	7,983	10,538	11,434	11,834	12,130	12,251	12,276	12,276	12,276	12,276	12,276	12,276	12,276		
2010	667	5,065	7,699	10,162	11,026	11,412	11,697	11,814	11,838	11,838	11,838	11,838	11,838	11,838	11,838		
2011	1,059	1,502	2,428	3,205	3,478	3,600	3,690	3,726	3,734	3,734	3,734	3,734	3,734	3,734	3,734		
	OP. # 1.10	•.															
	CE Trended Sev															D 4 17	m 1
Report	Development Qu			10	1.7	21	25	20	22	27	4.	4.5	40	52		Report Year	Trend
Year	11.500	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	11,598	16,478	20,839	27,319	29,856	30,563	31,473	31,825	31,825	31,825	31,825	31,825	31,825	31,825	31,825	504	2.261
1998	12,143	15,221	23,052	29,222	32,261	33,873	34,201	34,439	34,539	34,555	34,581	34,585	34,585	34,585	34,585	457	2.133
1999	6,668	14,411	23,762	30,362	33,439	33,731	33,804	34,125	34,483	34,483	34,486	34,486	34,486	34,486	34,486	406	2.012
2000	11,351	12,016	17,624	22,138	24,497	25,633	25,912	26,000	25,986	25,986	25,986	25,986	25,986	25,986	25,986	394	1.898
2001	8,799	11,713	21,158	25,148	28,354	29,068	29,270	29,317	29,411	29,312	29,312	29,312	29,312	29,312	29,312	406	1.791
2002	8,031	11,602	20,638	28,646	31,913	33,689	34,691	34,839	34,839	34,839	34,839	34,839	34,839	34,839	34,839	480	1.689
2003	7,973	11,644	21,190	26,539	29,136	30,676	33,025	33,805	33,825	33,825	33,825	33,825	33,825	33,825	33,825	378	1.594
2004	8,658	12,211	20,373	25,994	28,193	29,523	29,915	29,933	29,993	29,993	29,993	29,993	29,993	29,993	29,993	289	1.504
2005	5,149	12,179	20,951	27,430	30,291	30,681	30,802	31,110	31,172	31,172	31,172	31,172	31,172	31,172	31,172	346	1.419
2006	9,006	11,766	21,155	26,786	28,534	28,811	29,532	29,827	29,887	29,887	29,887	29,887	29,887	29,887	29,887	296	1.338
2007	6,244	10,267	20,472	26,856	29,050	30,067	30,819	31,127	31,189	31,189	31,189	31,189	31,189	31,189	31,189	342	1.262
2008	5,777	13,015	22,367	30,681	33,289	34,454	35,315	35,668	35,739	35,739	35,739	35,739	35,739	35,739	35,739	349	1.191
2009	6,250	12,616	20,812	27,472	29,807	30,850	31,622	31,938	32,002	32,002	32,002	32,002	32,002	32,002	32,002	431	1.124
2010	7,529	14,295	21,728	28,681	31,119	32,208	33,014	33,344	33,410	33,410	33,410	33,410	33,410	33,410	33,410	376	1.060
2011	9,286	13,173	21,290	28,103	30,492	31,559	32,348	32,672	32,737	32,737	32,737	32,737	32,737	32,737	32,737	114	1.000
I+ C	D																
Least Squares	Parameter Estima		0.12	12.17	17.21	21.25	25.20	20.22	22.27	27.41	41.45	45.40	40.52				
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53 0				
a=		16,150	-986	102	1,011	-	-904	-339	-156	-51	-6	1.000	-				
b=	0.336	0.390	1.337	1.094	0.999	1.020	1.037	1.013	1.004	1.002	1.000	1.000	1.000				
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0				
Link Ratio	2.000	1.750	1.320	1.085	1.035	1.025	1.010	1.002	1.000	1.000	1.000	1.000	1.000				

Regression is of the form y = a + bx

## The Doctors Company Severity Least Squares Paid Loss Development Northern California (excluding Redding claims) Paid DCCE

								Paid DC	CE								
Report	Development Qu																
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	123	1,521	3,738	5,767	6,420	6,684	7,005	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094		
1998	96	1,551	4,101	5,740	6,785	7,247	7,322	7,364	7,400	7,403	7,409	7,410	7,410	7,410	7,410		
1999	30	1,232	3,741	5,847	6,647	6,745	6,807	6,881	6,958	6,958	6,958	6,958	6,958	6,958	6,958		
2000	53	1,189	3,164	4,412	4,955	5,302	5,362	5,393	5,393	5,393	5,393	5,393	5,393	5,393	5,393		
2001	36	1,219	3,934	5,435	6,257	6,538	6,636	6,637	6,642	6,645	6,645	6,645	6,645	6,645	6,645		
2002	75	1,775	5,008	7,754	8,883	9,480	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898		
2003	61	1,516	4,215	5,989	6,765	7,170	7,766	8,014	8,022	8,022	8,022	8,022	8,022	8,022	8,022		
2004	19	1,215	3,434	4,840	5,336	5,594	5,750	5,753	5,765	5,765	5,765	5,765	5,765	5,765	5,765		
2005	8	1,653	4,434	6,328	7,277	7,417	7,494	7,569	7,584	7,584	7,584	7,584	7,584	7,584	7,584		
2006	23	1,471	4,019	5,792	6,302	6,373	6,564	6,630	6,643	6,643	6,643	6,643	6,643	6,643	6,643		
2007	31	1,432	4,721	6,839	7,730	8,039	8,281	8,363	8,380	8,380	8,380	8,380	8,380	8,380	8,380		
2008	17	1,775	5,383	8,385	9,433	9,811	10,105	10,206	10,227	10,227	10,227	10,227	10,227	10,227	10,227		
2009	20	2,206	6,161	9,088	10,224	10,633	10,952	11,061	11,083	11,083	11,083	11,083	11,083	11,083	11,083		
2010	28	2,351	6,367	9,392	10,566	10,988	11,318	11,431	11,454	11,454	11,454	11,454	11,454	11,454	11,454		
2011	22	688	1,986	2,929	3,295	3,427	3,530	3,565	3,572	3,572	3,572	3,572	3,572	3,572	3,572		
	Trended Severity															_	
Report	Development Qu		_													Report Year	
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	2,203	6,821	16,769	25,869	28,798	29,983	31,422	31,825	31,825	31,825	31,825	31,825	31,825	31,825	31,825	504	2.261
1998	1,798	7,238	19,142	26,792	31,669	33,823	34,175	34,371	34,539	34,552	34,581	34,585	34,585	34,585	34,585		2.133
1999	589	6,108	18,539	28,979	32,944	33,427	33,736	34,105	34,483	34,483	34,486	34,486	34,486	34,486	34,486		2.012
2000	1,028	5,730	15,244	21,258	23,871	25,546	25,836	25,985	25,986	25,986	25,986	25,986	25,986	25,986	25,986		1.898
2001	632	5,375	17,351	23,975	27,598	28,839	29,270	29,274	29,297	29,312	29,312	29,312	29,312	29,312	29,312		1.791
2002	1,061	6,247	17,629	27,292	31,265	33,368	34,691	34,839	34,839	34,839	34,839	34,839	34,839	34,839	34,839		1.689
2003	1,036	6,391	17,775	25,251	28,523	30,231	32,744	33,793	33,825	33,825	33,825	33,825	33,825	33,825	33,825		1.594
2004	397	6,322	17,865	25,184	27,761	29,104	29,915	29,933	29,993	29,993	29,993	29,993	29,993	29,993	29,993		1.504
2005	132	6,777	18,178	25,941	29,833	30,407	30,725	31,032	31,094	31,094	31,094	31,094	31,094	31,094	31,094		1.419
2006	410	6,649	18,171	26,184	28,492	28,811	29,676	29,973	30,033	30,033	30,033	30,033	30,033	30,033	30,033		1.338
2007 2008	453	5,287	17,427	25,246	28,536 32,193	29,677	30,567	30,873	30,935	30,935	30,935	30,935	30,935	30,935	30,935		1.262
	236	6,059	18,370	28,616		33,481	34,485	34,830	34,900	34,900	34,900	34,900	34,900	34,900	34,900		1.191
2009	210	5,750	16,062	23,691	26,653	27,719	28,551	28,836	28,894	28,894	28,894	28,894	28,894	28,894	28,894		1.124
2010	313	6,636	17,971	26,507	29,820	31,013	31,944	32,263	32,328	32,328	32,328	32,328	32,328	32,328	32,328		1.060
2011	195	6,031	17,412	25,682	28,892	30,048	30,949	31,259	31,321	31,321	31,321	31,321	31,321	31,321	31,321	114	1.000
I+ C	D	-4:															
Least Squares	Parameter Estima 1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53				
		11,835	-3,356	-1,669	1,911	368	-836	-492	55:57	-55	41:43 -6	43:49	49:33				
a= b=		0.925	1.651	1.197	0.978	1.016	1.036	1.018	1.000	1.002	1.000	1.000	1.000				
0=	0.360	0.923	1.031	1.197	0.978	1.010	1.030	1.016	1.000	1.002	1.000	1.000	1.000				
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0				
Link Ratio	12.000	3.000	1.475	1.125	1.040	1.030	1.010	1.002	1.000	1.000	1.000	1.000	1.000				

Regression is of the form y = a + bx

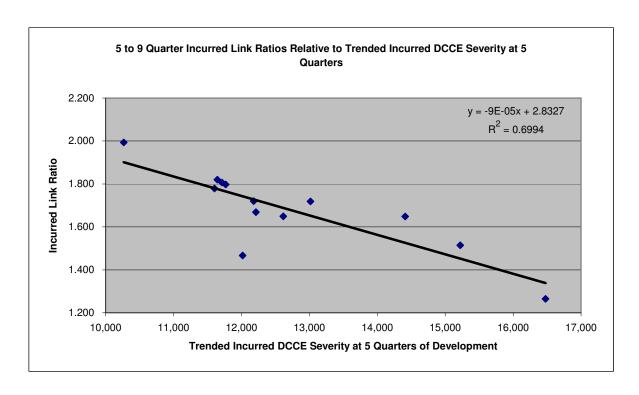
#### **Reserve Development Method**

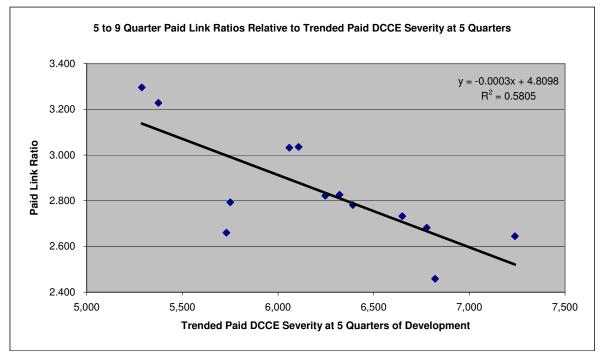
### Northern California (excluding Redding claims)

Unlimited DCCE

DCCE Reserves															
Report	Development C	Duarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	524	2,153	907	323	236	129	11	0	0	0	0	0	0	0	0
1998	554	1,710	838	521	127	11	6	15	0	0	0	0	0	0	0
1999	307	1,675	1,054	279	100	61	14	4	0	0	0	0	0	0	0
2000	536	1,305	494	183	130	18	16	3	0	0	0	0	0	0	0
2001	463	1,437	863	266	171	52	0	10	26	0	0	0	0	0	0
2002	495	1,521	855	385	184	91	0	0	0_	0	0	0	0	0	0
2003	411	1,246	810	306	145	105	67	3	0	0	0	0	0	0	0
2004	397	1,132	482	156	83	81	0_	0	0	0	0	0	0	0	0
2005	306	1,318	676	363	112	67_	19	0	0	0	0	0	0	0	0
2006	475	1,132	660	133	9_	0	0	0	0	0	0	0	0	0	0
2007	392	1,349	825	436	139	66	14	0	0	0	0	0	0	0	0
2008	406	2,038	1,171	605	260	123	26	0	0	0	0	0	0	0	0
2009	579	2,634	1,822	748	321	152	32	0	0	0	0	0	0	0	0
2010	639	2,713	1,506	618	265	126	27	0	0	0	0	0	0	0	0
2011	1,037	3,736	2,073	851	365	173	37	0	0	0	0	0	0	0	0
Paid DCCE															
	Development C	Duantan													
Report Year	Development	2uariei 5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	123	1,521	3,738	5,767	6,420	6,684	7,005	7,094	7,094	7,094	7,094	7,094	7,094	7,094	7,094
1998	96	1,551	4,101	5,740	6,785	7,247	7,322	7,364	7,400	7,403	7,409	7,410	7,410	7,410	7,410
1999	30	1,232	3,741	5,847	6,647	6,745	6,807	6,881	6,958	6,958	6,958	6,958	6,958	6,958	6,958
2000	53	1,189	3,164	4,412	4,955	5,302	5,362	5,393	5,393	5,393	5,393	5,393	5,393	5,393	5,393
2001	36	1,219	3,934	5,435	6,257	6,538	6,636	6,637	6,642	6,645	6,645	6,645	6,645	6,645	6,645
2002	75	1,775	5,008	7,754	8,883	9,480	9,856	9,898	9,898	9,898	9,898	9,898	9,898	9,898	9,898
2003	61	1,516	4,215	5,989	6,765	7,170	7,766	8,014	8,022	8,022	8,022	8,022	8,022	8,022	8,022
2004	19	1,215	3,434	4,840	5,336	5,594	5,750	5,753	5,753	5,753	5,753	5,753	5,753	5,753	5,753
2005	8	1,653	4,434	6,328	7,277	7,417	7,494	7,513	7,513	7,513	7,513	7,513	7,513	7,513	7,513
2006	23	1,471	4,019	5,792	6,302	6,373	6,373	6,373	6,373	6,373	6,373	6,373	6,373	6,373	6,373
2007	31	1,432	4,721	6,839	7,730	8,044	8,240	8,254	8,254	8,254	8,254	8,254	8,254	8,254	8,254
2008	17	1,775	5,383	8,385	9,941	10,525	10,890	10,916	10,916	10,916	10,916	10,916	10,916	10,916	10,916
2009	20	2,206	6,161	10,555	12,478	13,201	13,651	13,684	13,684	13,684	13,684	13,684	13,684	13,684	13,684
2010	28	2,351	7,121	10,752	12,340	12,938	13,310	13,337	13,337	13,337	13,337	13,337	13,337	13,337	13,337
2011	22	3,458	10,025	15,024	17,212	18,034	18,547	18,584	18,584	18,584	18,584	18,584	18,584	18,584	18,584
5V- D-: 1 D-4:-	2.650	1.010	2 672	2.599	2.757	2 200	3.970	4 471	0.246	14.065	1.000	1.000	1 000	1.000	
5Yr Paid Ratio 5Yr Res Ratio	3.659 3.960	1.910 0.609	2.672 0.444	0.351	2.757 0.645	3.290 0.215	3.970 0.191	4.471 1.301	0.246 0.019	14.065 0.000	0.000	0.000	1.000 0.000	1.000 0.000	
5 fr Res Ratio	3.960	0.609	0.444	0.351	0.645	0.215	0.191	1.301	0.019	0.000	0.000	0.000	0.000	0.000	
All Yr Paid Ratio	3.314	1.758	2.411	2.571	2.253	2.961	4.725	3.628	0.246	14.065	1.000	1.000	1.000	1.000	
All Yr Res Ratio	3.603	0.555	0.410	0.429	0.474	0.214	0.305	0.752	0.019	0.000	0.000	0.000	0.000	0.000	
Sel Paid Ratio	3.314	1.758	2.411	2.571	2.253	2.961	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Sel Res Ratio	3.603	0.555	0.410	0.429	0.474	0.214	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Res Dev to Ult	17.901	4.048	4.128	4.183	3.758	3.174	1.000	1.000	1.000	1.000	1.000	1.000	1.000		

# The Doctors Company Relationship Between Link Ratio and Loss Amount Northern California





### The Doctors Company Incurred Loss & DCCE Adjusted for DD&R Load

					$(5) = (1) \times (4)$	$(6) = (2) \times (4)$	(7) = (5) + (6)
	(1)	(2)	(3) = (1) + (2)	(4)	Adjusted	Adjusted	Adjusted
Report	Incurred	Incurred	Incurred	DD&R	Incurred	Incurred	Incurred
Year	Loss	DCCE	Loss & DCCE	Factor	Loss	DCCE	Loss & DCCE
2008	40,733	34,658	75,392	1.037	42,250	35,949	78,198
2009	73,735	42,440	116,175	1.037	76,480	44,021	120,500
2010	73,781	30,465	104,246	1.037	76,528	31,599	108,127

### The Doctors Company Calfornia DD&R Load Calculation

**(1)** 3/31/2011 In-Force Eligible Written Premium: \$183,934,119 **(2)** 3/31/2011 FTE Physicians: 18,238 Average Claims-Made Premium: \$10,085 **(3) (4)** DD&R Pure Premium: \$19,780 DD&R Premium Payment: \$266 **(5) (6)** Indicated DD&R Load to Premium: 2.6%

(7) Loss Ratio Underlying Current Rates: 70.78%
 (8) Indicated DD&R Load to Loss: 3.7%

#### Notes:

- (1) Excludes Entity, non FTE physician, APA, Occurrence, Slot, and Auxiliary physician premium California only.
- (2) Excludes non FTE physician, APA, Occurrence, Slot, and Auxiliary physician counts. From 1Q11 Reserve Analysis California only.
- (3) = (1) / (2)
- (4) From 1Q11 Reserve Analysis California only.
- (5): Assumes 4.0% annual long-term pure premium trend and 4.0% discount rate. See Exhibit 7a, Page 6.3.
- (6) = (5) / (3)
- (7) From Ratemaking Template
- (8) = (6) / (7)

### TDC Group (excluding OHIC, PULIC sub, SCPIE) California DD&R UEPR Calculation @1Q11

141,212,029

Total

5,100

84,435,950

317,720

84,435,950

Pure Premium 7 Premium Trend Discount Rate:	rend: 4.0%		4.0%		DD&R Pure Pre Disc. Factor at	mium @ 9/30/11 DD&R Issuance:	19,780 0.870		1Q	11 DD&R Premium	265.8
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Year Ending 1Q	Expected DD&R Coverage Extensions	Trended Pure Premium	Liability	Discounted Liability	Cumulative Discounted Liability	No. of DD&R Payments	DD&R Premium	Total Premium Paid In	Present Value of Total Premium	Cumulative Present Value of Total Premium	DD&R Reserve
		= DD&R Pure Prem*(1+PPTrend )^(Year-2011)	= (1) x (2)	= (3)*(DD&R Dscnt Factor)/(1+DiscR ate)^(Year-2011)			= 1Q11 DD&R Premium/(1+Pr emTrend)^(201 1-Year)	= (6) x (7)	= (8) x (1+DiscRate)^(201 1-Year)		= (10) - (5)
1984 1985						2,043 2,235	92 96	188,274 214,193	542,864 593,842	542,864 1,136,707	
1986						2,446	100 104	243,842	650,042	1,786,749	
1987 1988						2,815 3,296	104	291,836 355,418	748,064 876,004	2,534,812 3,410,817	
1989						3,586	112	402,074	952,883	4,363,700	
1990 1991						3,847 4,151	117 121	448,702 503,513	1,022,489 1,103,258	5,386,189 6,489,447	
1992						4,447	126	560,916	1,181,766	7,671,213	
1993						4,702	131	616,802	1,249,529	8,920,742	
1994 1995						4,929 5,164	136 142	672,505 732,766	1,309,973 1,372,457	10,230,715 11,603,171	
1996						5,459	148	805,535	1,450,724	13,053,895	
1997						5,754	153	883,005	1,529,080	14,582,975	
1998 1999						6,091 6,426	160 166	972,149 1,066,590	1,618,699 1,707,645	16,201,675 17,909,319	
2000						6,975	173	1,204,153	1,853,738	19,763,057	
2001 2002						7,541 8,175	180 187	1,353,949 1,526,457	2,004,176	21,767,233 23,939,857	
2002						8,891	194	1,726,574	2,172,624 2,362,936	26,302,793	
2004						9,798	202	1,978,780	2,603,940	28,906,732	
2005 2006						11,014 11,903	210 218	2,313,217 2,599,901	2,926,958 3,163,177	31,833,690 34,996,867	
2007						12,992	227	2,951,430	3,452,755	38,449,623	
2008						14,084	236	3,327,445	3,742,923	42,192,546	
2009 2010						15,684 16,927	246 256	3,853,649 4,325,547	4,168,106 4,498,569	46,360,652 50,859,221	
2011						18,238	266	4,846,792	4,846,792	55,706,013	55,706,013
2012 2013	500 466		9,884,296 9,577,268	8,273,256 7,707,952	8,273,256 15,981,208	15,656 13,455	276 287	4,327,083 3,867,645	4,160,657 3,575,856	59,866,670 63,442,525	51,593,414 47,461,318
2013	431	21,394	9,377,208	7,140,412	23,121,619	11,564	299	3,456,854	3,073,131	66,515,656	43,394,037
2015	397	22,250	8,834,723	6,573,907	29,695,527	9,945	311	3,091,824	2,642,904	69,158,560	39,463,033
2016 2017	365 333		8,440,350 8,018,357	6,038,899 5,516,319	35,734,426 41,250,745	8,547 7,341	323 336	2,763,608 2,468,535	2,271,484 1,950,919	71,430,044 73,380,964	35,695,619 32,130,219
2018	303		7,580,693	5,014,638	46,265,383	6,298	350	2,202,459	1,673,688	75,054,652	28,789,269
2019	274		7,130,970	4,535,717	50,801,099	5,398	364	1,963,282	1,434,551	76,489,203	25,688,104
2020 2021	247 222		6,683,872 6,238,354	4,087,823 3,668,602	54,888,922 58,557,524	4,621 3,953	378 393	1,748,045 1,554,940	1,228,153 1,050,462	77,717,356 78,767,818	22,828,434 20,210,293
2022	198	29,279	5,806,879	3,283,523	61,841,048	3,374	409	1,380,309	896,622	79,664,440	17,823,392
2023 2024	177		5,376,407 4,971,770	2,923,183 2,599,212	64,764,231 67,363,443	2,878 2,450	425 443	1,224,488 1,084,175	764,811	80,429,251 81,080,379	15,665,020 13,716,936
2025	157 139		4,581,179	2,302,897	69,666,340	2,082	460	958,155	651,128 553,311	81,633,690	11,967,350
2026	123	34,253	4,208,336	2,034,110	71,700,450	1,764	479	844,314	468,818	82,102,507	10,402,058
2027 2028	108 95		3,848,653 3,503,988	1,788,707 1,565,885	73,489,157 75,055,042	1,490 1,255	498 518	741,644 649,695	395,970 333,536	82,498,477 82,832,013	9,009,320 7,776,971
2029	83		3,181,384	1,367,036	76,422,078	1,055	538	568,176	280,467	83,112,480	6,690,402
2030	72		2,884,178	1,191,661	77,613,739	883	560	494,341	234,635	83,347,116	5,733,376
2031 2032	62 54		2,597,756 2,342,641	1,032,038 894,890	78,645,777 79,540,667	738 616	582 606	429,841 372,920	196,174 163,650	83,543,289 83,706,939	4,897,512 4,166,272
2033	47	45,074	2,109,050	774,671	80,315,338	510	630	321,307	135,577	83,842,516	3,527,178
2034 2035	40		1,880,587 1,682,280	664,187	80,979,526	423	655	276,988	112,381	83,954,898	2,975,372
2035	35 29		1,682,280	571,297 488,077	81,550,823 82,038,900	349 287	681 708	237,561 203,374	92,678 76,289	84,047,575 84,123,864	2,496,752 2,084,965
2037	25	52,731	1,325,867	416,291	82,455,191	235	737	173,096	62,434	84,186,298	1,731,107
2038 2039	21 18		1,167,431 1,024,710	352,448 297,462	82,807,639 83,105,101	192 156	766 797	146,931 124,080	50,958 41,378	84,237,256 84,278,634	1,429,617 1,173,533
2039	15		893,522	249,404	83,354,505	126	829	104,284	33,439	84,312,073	957,568
2041	13	61,687	774,608	207,896	83,562,401	101	862	87,342	26,929	84,339,002	776,601
2042 2043	10 9		668,820 574,138	172,600 142,467	83,735,000 83,877,467	81 65	896 932	72,811 60,281	21,586 17,184	84,360,588 84,377,771	625,587 500,304
2043	7		488,644	116,589	83,994,056	51	970	49,823	13,656	84,391,428	397,372
2045	6	72,166	414,944	95,196	84,089,252	40	1,008	40,829	10,761	84,402,188	312,936
2046 2047	5 4		348,566 289,703	76,892 61,449	84,166,144 84,227,594	32 25	1,049 1,091	33,176 26,755	8,407 6,519	84,410,595 84,417,115	244,451 189,521
2047	3		238,419	48,626	84,276,220	19	1,134	21,476	5,032	84,422,147	145,927
2049	2	84,424	194,919	38,225	84,314,445	14	1,180	17,050	3,841	84,425,988	111,543
2050 2051	2		157,235 126,309	29,649 22,901	84,344,094 84,366,996	11 8	1,227 1,276	13,510 10,490	2,927 2,185	84,428,914 84,431,099	84,820 64,103
2051	1		99,151	17,286	84,384,282	6	1,276	8,101	1,623	84,431,099	48,440
2053	1	98,764	77,268	12,953	84,397,234	4	1,380	6,118	1,178	84,433,900	36,665
2054 2055	1	102,714 106,823	58,770 43,730	9,473 6,778	84,406,707 84,413,485	3 2	1,435	4,529 3,224	839 574	84,434,738	28,031 21,827
2055	0		43,730 31,252	4,657	84,418,143	1	1,493 1,552	2,250	385	84,435,312 84,435,698	17,555
2057	0	115,539	21,885	3,136	84,421,279	1	1,614	1,530	252	84,435,950	14,671
2058	1	120,161	106,479	14,671	84,435,950	(0)	1,679	(0)	(0)	84,435,950	0

### **SCPIE Indemnity Company & American Healthcare Indemnity Company**

### **Physician Loss (Net of Deductibles)**

#### Summary of Indications and Selections Evaluated @ 3/31/2011

California

		Paid 1	Loss Develo	pment	Incurred	Loss Deve	lopment		Diagnostics		Ultimate Selectio		Selections	ections	
Report	Ult.	Paid	Least	Selected	Incurred	Least	Selected	Reserve	Open	Avg Resv	Sel.	Implied	Implied	Implied	
Year	Claim	Loss	Square *	LDF	Loss	Square *	LDF	Development	Claims	On Open	Ult.	LDF	Ult. Sev.	O/S Sev	
1997	1,108	49,991		49,991	49,991		49,991	49,991	0	0	49,991	1.000	45,118		
1998	1,773	62,000		62,000	62,000		62,000	62,000	0	0	62,000	1.000	34,969		
1999	1,930	57,407		57,407	57,407		57,407	57,407	0	0	57,407	1.000	29,745		
2000	1,928	52,766		52,766	52,766		52,766	52,766	0	0	52,766	1.000	27,368		
2001	1,874	44,049		44,049	44,049		44,049	44,049	0	0	44,049	1.000	23,505		
2002	1,702	39,750		39,750	39,750		39,750	39,750	0	0	39,750	1.000	23,355		
2003	1,604	40,139		40,139	40,329		40,329	40,329	2	95,000	40,329	1.000	25,143		
2004	1,239	26,956		27,091	27,076		27,076	27,076	2	60,060	27,076	1.000	21,853		
2005	967	32,846		33,175	33,046		33,046	33,046	2	100,000	33,046	1.000	34,173		
2006	896	21,105		21,637	26,135		26,005	24,450	12	419,167	26,135	1.000	29,169		
2007	860	28,093		29,520	32,604		32,117	31,479	23	196,130	32,000	0.981	37,209	169,866	
2008	838	14,764		17,066	25,065		23,826	22,279	59	174,580	23,000	0.918	27,446	139,586	
2009	125	1,004		1,741	4,794		4,398	4,150	27	140,370	4,250	0.887	33,995	120,222	
2010	58	353	1,841	2,693	2,118	2,661	2,866	2,952	36	49,028	2,800	1.322	48,515	67,973	

Note: Excludes Hospitals and Facilities.

### SCPIE Indemnity Company & American Healthcare Indemnity Company

#### **Incurred Link Ratio Loss Development**

#### California

#### Unlimited Incurred Loss, Net of Paid Deductible Recoveries

					Unlimited	l Incurred 1	Loss, Net of	f Paid Dedı	ıctible Rec	overies					
	Development Q														
ear	1	5	9	13	17	21	25	29	33	37	41	45	49	53	
1997	805	27,952	50,734	52,211	51,812	49,858	49,911	49,833	49,978	49,993	49,993	49,994	49,991	49,991	49,
1998	1,200	38,357	62,827	63,866	61,172	61,449	60,884	61,210	61,307	62,000	62,000	62,000	62,000	62,000	62,
1999	1,377	31,532	56,415	55,996	54,960	58,213	57,407	57,417	57,407	57,407	57,407	57,407	57,407	57,407	57,
2000	3,445	40,849	51,793	55,685	53,183	53,309	53,004	53,346	52,771	52,766	52,766	52,766	52,766	52,766	52,
2001	2,497	29,999	50,793	49,613	45,719	45,174	44,749	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,
2002	1,886	33,242	46,408	42,407	40,807	40,645	40,000	40,035	39,845	39,750	39,750	39,750	39,750	39,750	39,
2003	1,939	28,875	46,587	41,666	40,909	41,516	40,409	40,409	40,329	40,329	40,329	40,329	40,329	40,329	40,
2004	1,726	21,298	35,711	29,425	28,579	27,776	27,551	27,076	27,076	27,076	27,076	27,076	27,076	27,076	27,
2005	1,117	26,208	37,822	35,561	34,529	34,746	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,
2006	904	21,530	25,557	27,224	27,674	26,135	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,
2007	901	21,345	39,266	35,488	32,604	32,278	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,
2008	905	24,102	25,870	25,065	24,187	23,946	23,826	23,826	23,826	23,826	23,826	23,826	23,826	23,826	23,
2009	355	4,204	4,794	4,626	4,464	4,420	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,
2010	390	2,118	3,124	3,015	2,909	2,880	2,866	2,866	2,866	2,866	2,866	2,866	2,866	2,866	2,
2011	345	1,380	2,036	1,964	1,896	1,877	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,867	1,
	•														
California															
AGE:AGE F															
	Development In														
'ear	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	34.701	1.815	1.029	0.992	0.962	1.001	0.998	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
1998	31.975	1.638	1.017	0.958	1.005	0.991	1.005	1.002	1.011	1.000	1.000	1.000	1.000		
1999	22.903	1.789	0.993	0.982	1.059	0.986	1.000	1.000	1.000	1.000	1.000	1.000			
2000	11.858	1.268	1.075	0.955	1.002	0.994	1.006	0.989	1.000	1.000	1.000				
2001	12.012	1.693	0.977	0.922	0.988	0.991	0.984	1.000	1.000	1.000					
2002	17.629	1.396	0.914	0.962	0.996	0.984	1.001	0.995	0.998						
2003	14.892	1.613	0.894	0.982	1.015	0.973	1.000	0.998							
2004	12.340	1.677	0.824	0.971	0.972	0.992	0.983								
2005	23.460	1.443	0.940	0.971	1.006	0.951									
2006	23.827	1.187	1.065	1.017	0.944										
2007	23.688	1.840	0.904	0.919											
2008	26.638	1.073	0.969												
2009	11.833	1.140													
2010	5.431														
Age-to-Age	•														
Avg	4.878	1.506	0.967	0.966	0.995	0.985	0.997	0.998	1.002	1.000	1.000	1.000	1.000	1.000	
Avg5	4.571	1.337	0.940	0.972	0.987	0.978	0.995	0.996	1.002	1.000	1.000	1.000	1.000	1.000	
Avg3	3.658	1.351	0.979	0.969	0.974	0.972	0.995	0.998	0.999	1.000	1.000	1.000	1.000	1.000	
Vtd	3.949	1.487	0.964	0.965	0.999	0.986	0.999	0.998	1.002	1.000	1.000	1.000	1.000	1.000	
Vtd5	5.304	1.369	0.930	0.970	0.990	0.978	0.996	0.996	1.002	1.000	1.000	1.000	1.000	1.000	
Vtd3	4.609	1.408	0.968	0.965	0.977	0.971	0.996	0.998	0.999	1.000	1.000	1.000	1.000	1.000	
elected	4.000	1.475	0.965	0.965	0.990	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
ge-to-Ultima				***	*****										
vg vg	6.703	1.374	0.913	0.944	0.977	0.982	0.997	1.000	1.002	1.000	1.000	1.000	1.000	1.000	
Avg5	5.353	1.171	0.876	0.932	0.959	0.971	0.993	0.998	1.002	1.000	1.000	1.000	1.000	1.000	
vg3 vg3	4.403	1.171	0.870	0.932	0.939	0.964	0.993	0.997	0.999	1.000	1.000	1.000	1.000	1.000	
vgs Vtd	5.374	1.204	0.891	0.910	0.939	0.964	0.991	1.000	1.002	1.000	1.000	1.000	1.000	1.000	
Vtd5	6.315	1.190	0.870	0.935	0.964	0.973	0.995	0.999	1.002	1.000	1.000	1.000	1.000	1.000	
Vtd3	5.707	1.238	0.879	0.908	0.942	0.964	0.993	0.997	0.999	1.000	1.000	1.000	1.000	1.000	

Selected

5.412

1.353

0.917

0.951

0.985

0.995

1.000

1.000

1.000

1.000

1.000

1.000

1.000

#### SCPIE Indemnity Company & American Healthcare Indemnity Company Paid Link Ratio Loss Development

#### California

#### Unlimited Paid Loss, Net of Paid Deductible Recoveries

Report	Development Q	narter													
ceport Cear	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	(20)	1,705	22,482	44,321	49,220	49,344	49,594	49,824	49,824	49,989	49,989	49,991	49,991	49,991	49,991
1998	(20)	4,290	36,095	50,822	59,691	60,139	60,626	60,700	60,700	62,000	62,000	62,000	62,000	62,000	62,000
1999	8	4,778	28,550	42,899	52,865	54,602	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,40
2000	(18)	9,150	27,479	45,636	48,463	50,046	52,596	52,596	52,596	52,766	52,766	52,766	52,766	52,766	52,766
2001	240	5,100	28,383	40,499	43,174	43,889	43,899	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,049
2002	41	7,149	27,944	35,429	37,330	38,847	38,890	39,065	39,595	39,750	39,750	39,750	39,750	39,750	39,750
2003	5	6,734	24,389	34,351	38,884	39,791	40,109	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139
2004	60	4,146	16,381	24,822	25,904	26,901	26,951	26,956	27,091	27,091	27,091	27,091	27,091	27,091	27,09
2005	6	3,260	15,931	28,701	31,629	32,046	32,846	33,010	33,175	33,175	33,175	33,175	33,175	33,175	33,175
2006	43	2,639	11,957	18,313	20,369	21,105	21,422	21,529	21,637	21,637	21,637	21,637	21,637	21,637	21,63
2007	-	1,907	16,905	26,276	28,093	28,795	29,227	29,373	29,520	29,520	29,520	29,520	29,520	29,520	29,520
2008	4	2,494	10,806	14,764	16,241	16,647	16,897	16,981	17,066	17,066	17,066	17,066	17,066	17,066	17,066
2009	-	254	1,004	1,506	1,657	1,698	1,724	1,732	1,741	1,741	1,741	1,741	1,741	1,741	1,741
2010	- <u>-</u>	353	1,553	2,330	2,563	2,627	2,666	2,679	2,693	2,693	2,693	2,693	2,693	2,693	2,693
2011	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

#### California

#### AGE:AGE FACTORS

Report	Development Ir													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57
1997	(85.246)	13.186	1.971	1.111	1.003	1.005	1.005	1.000	1.003	1.000	1.000	1.000	1.000	1.000
1998	1.000	8.414	1.408	1.175	1.008	1.008	1.001	1.000	1.021	1.000	1.000	1.000	1.000	
1999	582.677	5.975	1.503	1.232	1.033	1.051	1.000	1.000	1.000	1.000	1.000	1.000		
2000	(502.267)	3.003	1.661	1.062	1.033	1.051	1.000	1.000	1.003	1.000	1.000			
2001	21.249	5.566	1.427	1.066	1.017	1.000	1.003	1.000	1.000	1.000				
2002	176.327	3.909	1.268	1.054	1.041	1.001	1.004	1.014	1.004					
2003	1,346.772	3.622	1.408	1.132	1.023	1.008	1.001	1.000						
2004	68.950	3.951	1.515	1.044	1.038	1.002	1.000							
2005	520.615	4.887	1.802	1.102	1.013	1.025								
2006	62.105	4.530	1.532	1.112	1.036									
2007	1.000	8.866	1.554	1.069										
2008	637.082	4.334	1.366											
2009	1.000	3.952												
2010	1.000													
Age-to-Age														
Avg	50.576	5.707	1.535	1.105	1.024	1.017	1.002	1.002	1.005	1.000	1.000	1.000	1.000	1.000
Avg5	35.109	5.314	1.554	1.092	1.030	1.007	1.002	1.003	1.006	1.000	1.000	1.000	1.000	1.000
Avg3	53.257	5.717	1.484	1.094	1.029	1.012	1.002	1.005	1.002	1.000	1.000	1.000	1.000	1.000
Wtd	28.402	4.405	1.481	1.111	1.023	1.018	1.002	1.002	1.006	1.000	1.000	1.000	1.000	1.000
Wtd5	41.188	5.363	1.568	1.094	1.030	1.007	1.002	1.002	1.006	1.000	1.000	1.000	1.000	1.000
Wtd3	198.044	6.170	1.496	1.093	1.028	1.012	1.002	1.004	1.002	1.000	1.000	1.000	1.000	1.000
Selected	30.000	4.400	1.500	1.100	1.025	1.015	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000
Age-to-Ultin	nate													
Avg	514.632	10.175	1.783	1.162	1.051	1.026	1.009	1.007	1.005	1.000	1.000	1.000	1.000	1.000
Avg5	331.807	9.451	1.779	1.145	1.048	1.018	1.010	1.008	1.006	1.000	1.000	1.000	1.000	1.000
Avg3	519.425	9.753	1.706	1.150	1.050	1.020	1.009	1.007	1.002	1.000	1.000	1.000	1.000	1.000
Wtd	216.350	7.618	1.729	1.168	1.051	1.028	1.009	1.007	1.006	1.000	1.000	1.000	1.000	1.000
Wtd5	396.865	9.635	1.797	1.146	1.047	1.017	1.010	1.009	1.006	1.000	1.000	1.000	1.000	1.000
Wtd3	2,095.279	10.580	1.715	1.146	1.049	1.021	1.009	1.007	1.002	1.000	1.000	1.000	1.000	1.000
Selected	228.865	7.629	1.734	1.156	1.051	1.025	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000

#### SCPIE Indemnity Company & American Healthcare Indemnity Company Severity Least Squares Incurred Loss Development California

#### **Unlimited Incurred Loss, Net of Paid Deductible Recoveries**

Report	Development Qu	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	805	27,952	50,734	52,211	51,812	49,858	49,911	49,833	49,978	49,993	49,993	49,994	49,991	49,991	49,991
1998	1,200	38,357	62,827	63,866	61,172	61,449	60,884	61,210	61,307	62,000	62,000	62,000	62,000	62,000	62,000
1999	1,377	31,532	56,415	55,996	54,960	58,213	57,407	57,417	57,407	57,407	57,407	57,407	57,407	57,407	57,407
2000	3,445	40,849	51,793	55,685	53,183	53,309	53,004	53,346	52,771	52,766	52,766	52,766	52,766	52,766	52,766
2001	2,497	29,999	50,793	49,613	45,719	45,174	44,749	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,049
2002	1,886	33,242	46,408	42,407	40,807	40,645	40,000	40,035	39,845	39,750	39,750	39,750	39,750	39,750	39,750
2003	1,939	28,875	46,587	41,666	40,909	41,516	40,409	40,409	40,329	40,329	40,329	40,329	40,329	40,329	40,329
2004	1,726	21,298	35,711	29,425	28,579	27,776	27,551	27,076	27,076	27,076	27,076	27,076	27,076	27,076	27,076
2005	1,117	26,208	37,822	35,561	34,529	34,746	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,046
2006	904	21,530	25,557	27,224	27,674	26,135	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,005	26,005
2007	901	21,345	39,266	35,488	32,604	32,278	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117	32,117
2008	905	24,102	25,870	25,065	24,187	23,946	23,826	23,826	23,826	23,826	23,826	23,826	23,826	23,826	23,826
2009	355	4,204	4,794	4,626	4,464	4,420	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398	4,398
2010	390	2,118	2,901	2,799	2,701	2,674	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661	2,661
2011	345	470	646	623	601	595	592	592	592	592	592	592	592	592	592

Incurred Loss	Trended Severity
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Report	Development Qu	iarter														keport Year	i rena
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	4,264	36,990	67,139	69,094	68,566	65,981	66,051	65,947	66,139	66,159	66,159	66,161	66,156	66,156	66,156	1,108	1.466
1998	3,871	30,948	50,692	51,529	49,356	49,580	49,124	49,386	49,465	50,024	50,024	50,024	50,024	50,024	50,024	1,773	1.431
1999	3,982	22,801	40,796	40,492	39,743	42,095	41,513	41,520	41,513	41,513	41,513	41,513	41,513	41,513	41,513	1,930	1.396
2000	9,731	28,849	36,577	39,326	37,559	37,648	37,433	37,674	37,268	37,264	37,264	37,264	37,264	37,264	37,264	1,928	1.362
2001	7,081	21,265	36,005	35,168	32,408	32,022	31,720	31,224	31,224	31,224	31,224	31,224	31,224	31,224	31,224	1,874	1.328
2002	5,743	25,312	35,337	32,291	31,073	30,949	30,458	30,485	30,340	30,268	30,268	30,268	30,268	30,268	30,268	1,702	1.296
2003	6,114	22,761	36,723	32,844	32,248	32,726	31,853	31,853	31,790	31,790	31,790	31,790	31,790	31,790	31,790	1,604	1.264
2004	6,873	21,204	35,554	29,295	28,453	27,654	27,430	26,957	26,957	26,957	26,957	26,957	26,957	26,957	26,957	1,239	1.234
2005	5,561	32,617	47,070	44,257	42,972	43,242	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126	41,126	967	1.203
2006	4,736	28,213	33,489	35,674	36,263	34,247	34,076	34,076	34,076	34,076	34,076	34,076	34,076	34,076	34,076	896	1.174
2007	4,801	28,429	52,300	47,268	43,426	42,992	42,777	42,777	42,777	42,777	42,777	42,777	42,777	42,777	42,777	860	1.145
2008	4,826	32,141	34,499	33,425	32,255	31,933	31,773	31,773	31,773	31,773	31,773	31,773	31,773	31,773	31,773	838	1.118
2009	12,394	36,664	41,808	40,345	38,933	38,544	38,351	38,351	38,351	38,351	38,351	38,351	38,351	38,351	38,351	125	1.090
2010	28,751	39,034	53,461	51,590	49,784	49,286	49,040	49,040	49,040	49,040	49,040	49,040	49,040	49,040	49,040	58	1.064
2011	28,251	38,470	52,865	51,015	49,229	48,737	48,493	48,493	48,493	48,493	48,493	48,493	48,493	48,493	48,493	13	1.038

Least Squares Par	ameter Estim	ations												
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	
a=	25,531	12,254	-3,284	-872	1,487	-822	-361	-421	-159	0	-3	9	0	
b=	0.458	1.056	1.047	0.988	0.956	1.006	1.007	1.009	1.006	1.000	1.000	1.000	1.000	
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0	
Link Ratio	4.000	1.475	0.965	0.965	0.990	0.995	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

Regression is of the form y = a + bx

#### SCPIE Indemnity Company & American Healthcare Indemnity Company Severity Least Squares Paid Loss Development California

#### **Unlimited Paid Loss, Net of Paid Deductible Recoveries**

Report	Development Qu	ıarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	(20)	1,705	22,482	44,321	49,220	49,344	49,594	49,824	49,824	49,989	49,989	49,991	49,991	49,991	49,991
1998	-	4,290	36,095	50,822	59,691	60,139	60,626	60,700	60,700	62,000	62,000	62,000	62,000	62,000	62,000
1999	8	4,778	28,550	42,899	52,865	54,602	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407
2000	(18)	9,150	27,479	45,636	48,463	50,046	52,596	52,596	52,596	52,766	52,766	52,766	52,766	52,766	52,766
2001	240	5,100	28,383	40,499	43,174	43,889	43,899	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,049
2002	41	7,149	27,944	35,429	37,330	38,847	38,890	39,065	39,595	39,750	39,750	39,750	39,750	39,750	39,750
2003	5	6,734	24,389	34,351	38,884	39,791	40,109	40,139	40,139	40,139	40,139	40,139	40,139	40,139	40,139
2004	60	4,146	16,381	24,822	25,904	26,901	26,951	26,956	27,091	27,091	27,091	27,091	27,091	27,091	27,091
2005	6	3,260	15,931	28,701	31,629	32,046	32,846	33,010	33,175	33,175	33,175	33,175	33,175	33,175	33,175
2006	43	2,639	11,957	18,313	20,369	21,105	21,422	21,529	21,637	21,637	21,637	21,637	21,637	21,637	21,637
2007	-	1,907	16,905	26,276	28,093	28,795	29,227	29,373	29,520	29,520	29,520	29,520	29,520	29,520	29,520
2008	4	2,494	10,806	14,764	16,241	16,647	16,897	16,981	17,066	17,066	17,066	17,066	17,066	17,066	17,066
2009	-	254	1,004	1,506	1,657	1,698	1,724	1,732	1,741	1,741	1,741	1,741	1,741	1,741	1,741
2010	- <u> </u>	353	1,062	1,593	1,752	1,796	1,823	1,832	1,841	1,841	1,841	1,841	1,841	1,841	1,841
2011	-	49	241	362	398	408	414	416	418	418	418	418	418	418	418

hieq	I nee	Trended	Severity

Report	Development Qu	ıarter														Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	-106	2,256	29,751	58,652	65,136	65,301	65,631	65,936	65,936	66,154	66,154	66,156	66,156	66,156	66,156	1,108	1.466
1998	0	3,461	29,123	41,005	48,161	48,523	48,916	48,975	48,975	50,024	50,024	50,024	50,024	50,024	50,024	1,773	1.431
1999	24	3,455	20,646	31,022	38,228	39,485	41,513	41,513	41,513	41,513	41,513	41,513	41,513	41,513	41,513	1,930	1.396
2000	-51	6,462	19,406	32,229	34,226	35,344	37,144	37,144	37,144	37,264	37,264	37,264	37,264	37,264	37,264	1,928	1.362
2001	680	3,615	20,120	28,708	30,604	31,111	31,118	31,224	31,224	31,224	31,224	31,224	31,224	31,224	31,224	1,874	1.328
2002	123	5,444	21,278	26,977	28,425	29,580	29,613	29,746	30,150	30,268	30,268	30,268	30,268	30,268	30,268	1,702	1.296
2003	16	5,308	19,225	27,078	30,651	31,366	31,616	31,640	31,640	31,640	31,640	31,640	31,640	31,640	31,640	1,604	1.264
2004	239	4,127	16,309	24,713	25,790	26,783	26,832	26,837	26,971	26,971	26,971	26,971	26,971	26,971	26,971	1,239	1.234
2005	31	4,057	19,827	35,719	39,363	39,881	40,877	41,081	41,287	41,287	41,287	41,287	41,287	41,287	41,287	967	1.203
2006	223	3,459	15,668	23,997	26,691	27,656	28,071	28,211	28,352	28,352	28,352	28,352	28,352	28,352	28,352	896	1.174
2007	0	2,540	22,517	34,998	37,418	38,354	38,929	39,124	39,319	39,319	39,319	39,319	39,319	39,319	39,319	860	1.145
2008	21	3,325	14,411	19,689	21,658	22,200	22,533	22,645	22,759	22,759	22,759	22,759	22,759	22,759	22,759	838	1.118
2009	0	2,216	8,756	13,134	14,447	14,809	15,031	15,106	15,181	15,181	15,181	15,181	15,181	15,181	15,181	125	1.090
2010	0	6,505	19,572	29,357	32,293	33,100	33,597	33,765	33,934	33,934	33,934	33,934	33,934	33,934	33,934	58	1.064
2011	0	4,041	19,756	29,634	32,597	33,412	33,913	34,083	34,253	34,253	34,253	34,253	34,253	34,253	34,253	13	1.038

Least Squares Pa	rameter Estim	ations												
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	
a=	4,041	20,058	-7,949	-1,285	1,565	413	-133	240	-213	0	-3	0	0	
b=	-0.282	-0.075	1.934	1.147	0.978	1.006	1.005	0.996	1.011	1.000	1.000	1.000	1.000	
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0	
Link Ratio	30,000	4.400	1.500	1.100	1.025	1.015	1.005	1.005	1.000	1.000	1.000	1.000	1.000	

Regression is of the form y = a + bx

## SCPIE Indemnity Company & American Healthcare Indemnity Company

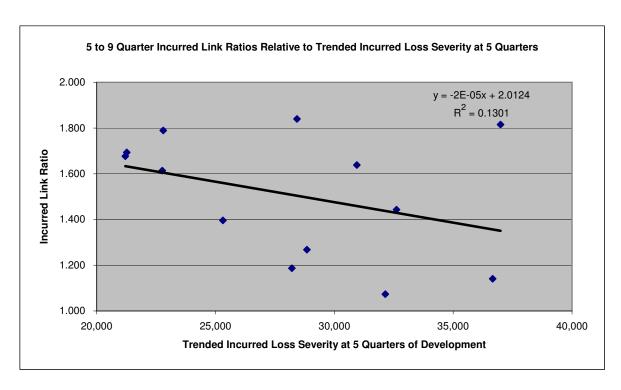
#### **Reserve Development Method**

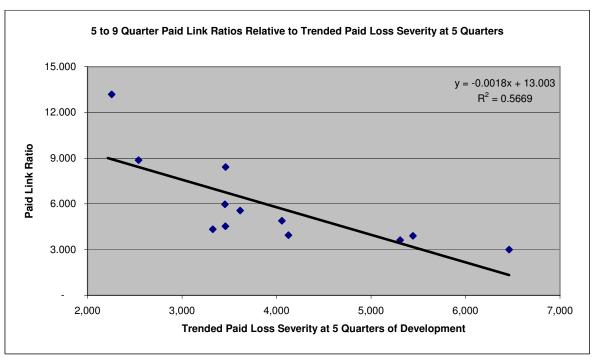
#### California

Unlimited Loss, Net of Paid Deductible Recoveries

					Unlimited	Loss, Net o	f Paid Deduc	ctible Recove	eries						
Loss Reserves															
Report	Development Q	-													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	825	26,247	28,252	7,890	2,592	514	317	9	154	4	4	4	0	0_	0
1998	1,200	34,067	26,732	13,044	1,481	1,310	258	510	607	0	0	0	0_	0	0
1999	1,369	26,754	27,865	13,097	2,096	3,610	0	10	0	0	0	0_	0	0	0
2000	3,463	31,699	24,314	10,049	4,720	3,263	409	750	175	0	0_	0	0	0	0
2001	2,257	24,900	22,410	9,114	2,545	1,285	850	0	0	0_	0	0	0	0	0
2002	1,845	26,093	18,464	6,978	3,478	1,798	1,110	970	250	0	0	0	0	0	0
2003	1,934	22,142	22,198	7,315	2,025	1,725	300	270	190	0	0	0	0	0	0
2004	1,666	17,153	19,330	4,603	2,675	875	600	120	0	0	0	0	0	0	0
2005	1,111	22,948	21,890	6,860	2,900	2,700	200	0	0	0	0	0	0	0	0
2006	861	18,891	13,600	8,911	7,305	5,030	1,191	0	0	0	0	0	0	0	0
2007	901	19,438	22,361	9,212	4,511	3,135	742	0	0	0	0	0	0	0	0
2008	901	21,608	15,064	10,300	3,855	2,679	634	0	0	0	0	0	0	0	0
2009	355	3,950	3,790	1,550	580	403	95	0	0	0	0	0	0	0	0
2010	390	1,765	1,588	650	243	169	40	0	0	0	0	0	0	0	0
2011	345	5,383	4,844	1,981	742	515	122	0	0	0	0	0	0	0	0
Paid Loss															
Report	Development Q	)uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	-20	1,705	22,482	44,321	49,220	49,344	49,594	49,824	49,824	49,989	49,989	49,991	49,991	49,991	49,991
1998	0	4,290	36,095	50,822	59,691	60,139	60,626	60,700	60,700	62,000	62,000	62,000	62,000	62,000	62,000
1999	8	4,778	28,550	42,899	52,865	54,602	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407	57,407
2000	-18	9,150	27,479	45,636	48,463	50,046	52,596	52,596	52,596	52,766	52,766	52,766	52,766	52,766	52,766
2001	240	5,100	28,383	40,499	43,174	43,889	43,899	44,049	44,049	44,049	44,049	44,049	44,049	44,049	44,049
2002	41	7,149	27,944	35,429	37,330	38,847	38,890	39,065	39,595	39,750	39,750	39,750	39,750	39,750	39,750
2003	5	6,734	24,389	34,351	38,884	39,791	40,109	40,139	40,139	40,329	40,329	40,329	40,329	40,329	40,329
2004	60	4,146	16,381	24,822	25,904	26,901	26,951	26,956	27,076	27,076	27,076	27,076	27,076	27,076	27,076
2005	6	3,260	15,931	28,701	31,629	32,046	32,846	33,046	33,046	33,046	33,046	33,046	33,046	33,046	33,046
2006	43	2,639	11,957	18,313	20,369	21,105	23,259	24,450	24,450	24,450	24,450	24,450	24,450	24,450	24,450
2007	0	1,907	16,905	26,276	28,093	29,395	30,737	31,479	31,479	31,479	31,479	31,479	31,479	31,479	31,479
2008	4	2,494	10,806	14,764	19,386	20,498	21,645	22,279	22,279	22,279	22,279	22,279	22,279	22,279	22,279
2009	0	254	1,004	3,019	3,714	3,882	4,054	4,150	4,150	4,150	4,150	4,150	4,150	4,150	4,150
2010	0	353	1,634	2,478	2,770	2,840	2,912	2,952	2,952	2,952	2,952	2,952	2,952	2,952	2,952
2011	0	969	4,875	7,450	8,339	8,553	8,773	8,895	8,895	8,895	8,895	8,895	8,895	8,895	8,895
	, -,		,,	.,	-,		-,	-,		-,	2,22	2,22	3,072	2,472	2,22
5Yr Paid Ratio	2.230	0.530	0.443	0.336	0.249	0.146	0.110	0.265	1.574	0.000	0.453	0.000	1.000	1.000	
5Yr Res Ratio	19.262	0.883	0.432	0.526	0.660	0.365	0.646	0.308	0.000	1.000	1.000	0.000	0.000	0.000	
All Yr Paid Ratio	2.809	0.726	0.532	0.449	0.289	0.428	0.173	0.210	1.510	0.000	0.453	0.000	1.000	1.000	
All Yr Res Ratio	15.602	0.900	0.409	0.374	0.695	0.237	0.687	0.546	0.003	1.000	1.000	0.000	0.000	0.000	
Sel Paid Ratio	2.809	0.726	0.532	0.449	0.289	0.428	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Sel Res Ratio	15.602	0.900	0.409	0.374	0.695	0.237	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Res Dev to Ult	25.784	1.473	0.830	0.730	0.751	0.665	1.000	1.000	1.000	1.000	1.000	1.000	1.000		

## SCPIE Indemnity Company & American Healthcare Indemnity Company Relationship Between Link Ratio and Loss Amount





# SCPIE Indemnity Company & American Healthcare Indemnity Company Physician DCCE

#### Summary of Indications and Selections Evaluated @ 3/31/2011

California

<b>y</b>														
		Paid D	OCCE Deve	lopment	Incurred	DCCE Dev	elopment		Diagr	ostics		Ultimate	Selections	
Report	Ult.	Paid	Least	Selected	Incurred	Least	Selected	Reserve	Open	Avg Resv	Sel.	Implied	Implied	Implied
Year	Claim	DCCE	Square *	LDF	DCCE	Square *	LDF	Development	Claims	On Open	Ult.	LDF	Ult. Sev.	O/S Sev
1997	1,108	36,397		36,397	36,397		36,397	36,397	0	0	36,397	1.000	32,850	
1998	1,773	40,265		40,265	40,265		40,265	40,265	0	0	40,265	1.000	22,710	
1999	1,930	43,530		43,530	43,530		43,530	43,530	0	0	43,530	1.000	22,555	
2000	1,928	42,579		42,579	42,579		42,579	42,579	0	0	42,579	1.000	22,085	
2001	1,874	41,773		41,773	41,773		41,773	41,773	0	0	41,773	1.000	22,291	
2002	1,702	37,962		37,962	37,962		37,962	37,962	0	0	37,962	1.000	22,304	
2003	1,604	36,350		36,350	36,485		36,485	36,485	2	67,604	36,485	1.000	22,747	
2004	1,239	29,744		29,744	29,782		29,842	29,782	2	19,000	29,782	1.000	24,037	
2005	967	26,386		26,518	26,474		26,607	26,474	2	43,996	26,474	1.000	27,378	
2006	896	22,486		22,825	22,760		22,988	22,964	12	22,826	22,760	1.000	25,402	
2007	860	21,834		22,606	22,454	23,019	23,019	23,745	23	26,958	23,000	1.024	26,744	50,698
2008	838	21,673		23,786	22,850		24,362	25,678	59	19,944	25,000	1.094	29,833	56,387
2009	125	2,658		3,705	3,332		4,085	4,725	27	24,954	4,250	1.276	33,995	58,963
2010	58	710	2,944	2,970	1,214	2,389	2,382	2,271	36	14,001	2,400	1.976	41,584	46,937

Note: Excludes Hospitals and Facilities.

#### SCPIE Indemnity Company & American Healthcare Indemnity Company **Incurred Link Ratio Loss Development**

#### California

_				
Incr	ırra	a i	C	C

							Incurred	DCCE							
	Development Q														
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	1,291	17,533	30,146	34,628	36,025	36,334	36,414	36,380	36,428	36,437	36,437	36,400	36,397	36,397	36,397
1998	2,327	23,250	34,457	38,817	39,418	39,747	39,888	40,180	40,302	40,363	40,265	40,265	40,265	40,265	40,265
1999	2,572	21,881	35,856	41,815	42,761	43,309	43,573	43,581	43,574	43,530	43,530	43,530	43,530	43,530	43,530
2000	2,469	22,789	35,374	40,974	41,992	42,349	42,514	42,572	42,569	42,578	42,578	42,579	42,579	42,579	42,579
2001	3,074	19,527	34,789	39,938	41,381	41,686	41,734	41,782	41,780	41,789	41,773	41,773	41,773	41,773	41,773
2002	2,527	20,304	30,322	35,184	36,516	37,126	37,553	37,736	37,952	37,962	37,962	37,962	37,962	37,962	37,962
2003	2,128	18,890	29,741	33,877	35,251	36,019	36,010	36,285	36,485	36,485	36,485	36,485	36,485	36,485	36,485
2004	2,460	16,599	24,771	27,851	29,327	29,643	29,741	29,782	29,842	29,842	29,842	29,842	29,842	29,842	29,842
2005	1,812	13,970	21,781	24,671	25,582	26,155	26,474	26,553	26,607	26,607	26,607	26,607	26,607	26,607	26,607
2006	1,435	11,552	18,072	20,435	22,028	22,760	22,874	22,943	22,988	22,988	22,988	22,988	22,988	22,988	22,988
2007	1,410	11,304	17,499	21,460	22,454	22,791	22,905	22,973	23,019	23,019	23,019	23,019	23,019	23,019	23,019
2008	1,562	11,390	20,504	22,850	23,764	24,120	24,241	24,314	24,362	24,362	24,362	24,362	24,362	24,362	24,362
2009	305	2,090	3,332	3,832	3,985	4,045	4,065	4,077	4,085	4,085	4,085	4,085	4,085	4,085	4,085
2010	189	1,214	1,943	2,234	2,324	2,359	2,370	2,377	2,382	2,382	2,382	2,382	2,382	2,382	2,382
2011	100	192	308	354	368	374	375	377	377	377	377	377	377	377	377
California															
AGE:AGE F.	ACTORS														
	Development Ir	nterval													
Year	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	13.582	1.719	1.149	1.040	1.009	1.002	0.999	1.001	1.000	1.000	0.999	1.000	1.000	1.000	
1998	9.991	1.482	1.127	1.015	1.008	1.004	1.007	1.003	1.002	0.998	1.000	1.000	1.000		
1999	8.507	1.639	1.166	1.023	1.013	1.006	1.000	1.000	0.999	1.000	1.000	1.000			
2000	9.229	1.552	1.158	1.025	1.008	1.004	1.001	1.000	1.000	1.000	1.000				
2001	6.352	1.782	1.148	1.036	1.007	1.001	1.001	1.000	1.000	1.000					
2002	8.035	1.493	1.160	1.038	1.017	1.012	1.005	1.006	1.000						
2003	8.876	1.574	1.139	1.041	1.022	1.000	1.008	1.006							
2004	6.746	1.492	1.124	1.053	1.011	1.003	1.001								
2005	7.708	1.559	1.133	1.037	1.022	1.012									
2006	8.048	1.564	1.131	1.078	1.033										
2007	8.019	1.548	1.226	1.046											
2008	7.294	1.800	1.114												
2009	6.864	1.594													
2010	6.412														
Age-to-Age															
Avg	2.065	1.600	1.148	1.039	1.015	1.005	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Avg5	1.832	1.613	1.146	1.051	1.021	1.006	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Avg3	1.714	1.647	1.157	1.054	1.022	1.005	1.005	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	1.931	1.597	1.147	1.036	1.014	1.005	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd5	1.916	1.614	1.143	1.049	1.020	1.005	1.003	1.002	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd3	1.787	1.668	1.155	1.053	1.021	1.004	1.005	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	1.925	1.600	1.150	1.040	1.015	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultima															
Avg	4.039	1.956	1.222	1.065	1.025	1.009	1.004	1.002	0.999	0.999	1.000	1.000	1.000	1.000	
Avg5	3.671	2.004	1.242	1.084	1.032	1.011	1.005	1.002	0.999	0.999	1.000	1.000	1.000	1.000	
Avg3	3.567	2.081	1.263	1.092	1.036	1.014	1.008	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	3.752	1.943	1.216	1.060	1.023	1.009	1.004	1.001	0.999	0.999	1.000	1.000	1.000	1.000	
Wtd5	3.819	1.994	1.235	1.081	1.030	1.010	1.005	1.001	0.999	0.999	1.000	1.000	1.000	1.000	
Wtd3	3.747	2.096	1.257	1.089	1.034	1.013	1.009	1.004	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	3.776	1.962	1.226	1.066	1.025	1.010	1.005	1.002	1.000	1.000	1.000	1.000	1.000	1.000	

#### SCPIE Indemnity Company & American Healthcare Indemnity Company Paid Link Ratio Loss Development

#### California Paid DCCE

	1						Paid DO	CCE							
Report	Development Q														
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	11	5,720	24,101	33,146	35,460	36,073	36,324	36,348	36,395	36,433	36,434	36,397	36,397	36,397	36,397
1998	29	7,954	29,029	37,637	39,028	39,584	39,816	40,039	40,276	40,363	40,265	40,265	40,265	40,265	40,265
1999	38	8,324	31,501	40,523	42,400	43,150	43,573	43,578	43,574	43,530	43,530	43,530	43,530	43,530	43,530
2000	55	8,640	31,378	39,878	41,548	42,214	42,471	42,523	42,560	42,578	42,578	42,579	42,579	42,579	42,579
2001	37	9,439	30,718	38,764	40,907	41,546	41,674	41,772	41,771	41,772	41,773	41,773	41,773	41,773	41,773
2002	26	9,003	26,526	33,869	35,921	36,722	37,271	37,551	37,940	37,962	37,962	37,962	37,962	37,962	37,962
2003	29	8,078	24,563	32,717	34,903	35,772	35,951	36,138	36,350	36,350	36,350	36,350	36,350	36,350	36,350
2004	70	8,542	22,423	27,395	29,114	29,565	29,710	29,744	29,744	29,744	29,744	29,744	29,744	29,744	29,744
2005	73	7,128	19,275	23,946	25,430	25,833	26,386	26,518	26,518	26,518	26,518	26,518	26,518	26,518	26,518
2006	22	5,394	15,767	19,560	21,424	22,486	22,711	22,825	22,825	22,825	22,825	22,825	22,825	22,825	22,825
2007	28	5,754	15,041	20,356	21,834	22,271	22,493	22,606	22,606	22,606	22,606	22,606	22,606	22,606	22,606
2008	64	5,693	18,001	21,673	22,974	23,433	23,667	23,786	23,786	23,786	23,786	23,786	23,786	23,786	23,786
2009	17	1,304	2,658	3,376	3,578	3,650	3,686	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705
2010	11	710	2,131	2,706	2,868	2,926	2,955	2,970	2,970	2,970	2,970	2,970	2,970	2,970	2,970
2011	20	805	2,415	3,067	3,251	3,316	3,349	3,366	3,366	3,366	3,366	3,366	3,366	3,366	3,366
C I'E '															
California AGE:AGE F	EA CEODO														
		1													
Report Year	Development In 1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53	53:57	
1997	520.057	4.213	1.375	1.070	1.017	1.007	1.001	1.001	1.001	1.000	0.999	1.000	1.000	1.000	
1998	271.104	3.650	1.297	1.070	1.017	1.007	1.001	1.001	1.001	0.998	1.000	1.000	1.000	1.000	
1999	218.094	3.784	1.286	1.046	1.014	1.010	1.000	1.000	0.999	1.000	1.000	1.000	1.000		
2000	158.253	3.632	1.271	1.040	1.016	1.006	1.000	1.000	1.000	1.000	1.000	1.000			
2001	252.577	3.254	1.262	1.055	1.016	1.003	1.001	1.001	1.000	1.000	1.000				
2001	351.025	2.947	1.202	1.061	1.022	1.005	1.002	1.010	1.000	1.000					
2002	274.673	3.041	1.332	1.067	1.022	1.015	1.005	1.006	1.001						
2003	121.565	2.625	1.222	1.063	1.015	1.005	1.003	1.000							
2005	97.954	2.704	1.242	1.062	1.016	1.021	1.001								
2006	245.668	2.923	1.241	1.002	1.050	1.021									
2007	202.660	2.614	1.353	1.073	1.050										
2008	88.335	3.162	1.204	1.075											
2009	75.174	2.038	1.204												
2010	62.312	2.030													
Age-to-Age	02.012														
Avg	52.490	3.122	1.280	1.061	1.021	1.009	1.003	1.003	1.001	1.000	1.000	1.000	1.000	1.000	
Avg5	33.707	2.688	1.252	1.072	1.026	1.010	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Avg3	18.818	2.605	1.266	1.077	1.027	1.010	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	40.178	3.077	1.273	1.058	1.020	1.008	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd5	32.840	2.799	1.248	1.070	1.024	1.009	1.003	1.003	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd3	20.676	2.800	1.262	1.076	1.025	1.010	1.005	1.005	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	40.000	3.000	1.270	1.060	1.020	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Age-to-Ultim		5.000	1.270	1.000	1.020	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Avg	230.625	4.394	1.407	1.099	1.036	1.015	1.006	1.003	1.000	0.999	1.000	1.000	1.000	1.000	
Avg5	126.817	3.762	1.400	1.118	1.043	1.017	1.007	1.003	1.000	0.999	1.000	1.000	1.000	1.000	
Avg3	70.044	3.722	1.429	1.129	1.049	1.021	1.010	1.006	1.000	1.000	1.000	1.000	1.000	1.000	
Wtd	172.199	4.286	1.393	1.094	1.034	1.014	1.006	1.003	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd5	127.723	3.889	1.390	1.114	1.040	1.016	1.006	1.003	1.000	0.999	1.000	1.000	1.000	1.000	
Wtd3	82.164	3.974	1.419	1.125	1.046	1.020	1.010	1.006	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	167.255	4.181	1.394	1.097	1.035	1.015	1.005	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
Selected	107.255	7.101	1.57-7	1.077	1.055	1.013	1.003	1.000	1.000	1.000	1.000	1.000	1.000	1.000	

#### SCPIE Indemnity Company & American Healthcare Indemnity Company Severity Least Squares Incurred Loss Development California

	-			DC	OF
Inc	п	ırr	·ea	1)(	CE

	1							incurred i	DCCE								
Report	Development Qu																
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	1,291	17,533	30,146	34,628	36,025	36,334	36,414	36,380	36,428	36,437	36,437	36,400	36,397	36,397	36,397		
1998	2,327	23,250	34,457	38,817	39,418	39,747	39,888	40,180	40,302	40,363	40,265	40,265	40,265	40,265	40,265		
1999	2,572	21,881	35,856	41,815	42,761	43,309	43,573	43,581	43,574	43,530	43,530	43,530	43,530	43,530	43,530		
2000	2,469	22,789	35,374	40,974	41,992	42,349	42,514	42,572	42,569	42,578	42,578	42,579	42,579	42,579	42,579		
2001	3,074	19,527	34,789	39,938	41,381	41,686	41,734	41,782	41,780	41,789	41,773	41,773	41,773	41,773	41,773		
2002	2,527	20,304	30,322	35,184	36,516	37,126	37,553	37,736	37,952	37,962	37,962	37,962	37,962	37,962	37,962		
2003	2,128	18,890	29,741	33,877	35,251	36,019	36,010	36,285	36,485	36,485	36,485	36,485	36,485	36,485	36,485		
2004	2,460	16,599	24,771	27,851	29,327	29,643	29,741	29,782	29,842	29,842	29,842	29,842	29,842	29,842	29,842		
2005	1,812	13,970	21,781	24,671	25,582	26,155	26,474	26,553	26,607	26,607	26,607	26,607	26,607	26,607	26,607		
2006	1,435	11,552	18,072	20,435	22,028	22,760	22,874	22,943	22,988	22,988	22,988	22,988	22,988	22,988	22,988		
2007	1,410	11,304	17,499	21,460	22,454	22,791	22,905	22,973	23,019	23,019	23,019	23,019	23,019	23,019	23,019		
2008	1,562	11,390	20,504	22,850	23,764	24,120	24,241	24,314	24,362	24,362	24,362	24,362	24,362	24,362	24,362		
2009	305	2,090	3,332	3,832	3,985	4,045	4,065	4,077	4,085	4,085	4,085	4,085	4,085	4,085	4,085		
2010	189	1,214	1,948	2,241	2,330	2,365	2,377	2,384	2,389	2,389	2,389	2,389	2,389	2,389	2,389		
2011	100	236	376	432	449	456	458	460	460	460	460	460	460	460	460		
	CE Trended Seve																
Report	Development Qu															Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	11,498	39,044	67,133	77,113	80,223	80,912	81,090	81,015	81,122	81,142	81,142	81,059	81,053	81,053	81,053	1,108	2.467
1998	12,221	30,525	45,239	50,962	51,751	52,184	52,369	52,752	52,911	52,991	52,863	52,863	52,863	52,863	52,863	1,773	2.328
1999	11,706	24,896	40,798	47,578	48,655	49,277	49,578	49,587	49,579	49,529	49,529	49,529	49,529	49,529	49,529	1,930	2.196
2000	10,613	24,487	38,010	44,027	45,122	45,505	45,682	45,745	45,742	45,751	45,751	45,753	45,753	45,753	45,753	1,928	2.072
2001	12,825	20,365	36,282	41,652	43,157	43,475	43,525	43,575	43,573	43,582	43,565	43,565	43,565	43,565	43,565	1,874	1.954
2002	10,950	21,996	32,848	38,115	39,558	40,218	40,682	40,880	41,114	41,125	41,125	41,125	41,125	41,125	41,125	1,702	1.844
2003	9,232	20,485	32,252	36,738	38,227	39,060	39,050	39,348	39,566	39,566	39,566	39,566	39,566	39,566	39,566		1.739
2004	13,035	21,984	32,807	36,886	38,841	39,259	39,390	39,444	39,523	39,523	39,523	39,523	39,523	39,523	39,523	1,239	1.641
2005	11,606	22,365	34,869	39,496	40,954	41,871	42,383	42,510	42,595	42,595	42,595	42,595	42,595	42,595	42,595	967	1.548
2006	9,359	18,830	29,457	33,308	35,905	37,098	37,284	37,396	37,470	37,470	37,470	37,470	37,470	37,470	37,470	896	1.460
2007	9,034	18,109	28,035	34,381	35,973	36,513	36,695	36,805	36,879	36,879	36,879	36,879	36,879	36,879	36,879	860	1.378
2008	9,689	17,667	31,803	35,442	36,860	37,412	37,600	37,712	37,788	37,788	37,788	37,788	37,788	37,788	37,788	838	1.300
2009	11,947	20,500	32,679	37,581	39,085	39,671	39,869	39,989	40,069	40,069	40,069	40,069	40,069	40,069	40,069	125	1.226
2010	15,183	24,339	39,053	44,911	46,707	47,408	47,645	47,788	47,884	47,884	47,884	47,884	47,884	47,884	47,884	58	1.157
2011	8,603	20,345	32,338	37,189	38,676	39,256	39,453	39,571	39,650	39,650	39,650	39,650	39,650	39,650	39,650	13	1.091
Least Squares	Parameter Estima		0.12	10.15	17.01	21.25	25.20	20.22	22.27	27.41	41.45	45.40	10.52				
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53				
a=		-1,873	263	728	815	269	365	141	-11	-53	127	9	0				
b=	1.060	1.682	1.140	1.021	0.996	0.999	0.995	0.999	1.000	1.000	0.997	1.000	1.000				
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0				
Link Ratio	1.925	1.600	1.150	1.040	1.015	1.005	1.003	1.002	1.000	1.000	1.000	1.000	1.000				

Regression is of the form y = a + bx

#### SCPIE Indemnity Company & American Healthcare Indemnity Company Severity Least Squares Paid Loss Development California

Paid DCCE

Report	Development Qua	arter															
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57		
1997	11	5,720	24,101	33,146	35,460	36,073	36,324	36,348	36,395	36,433	36,434	36,397	36,397	36,397	36,397	•	
1998	29	7,954	29,029	37,637	39,028	39,584	39,816	40,039	40,276	40,363	40,265	40,265	40,265	40,265	40,265	•	
1999	38	8,324	31,501	40,523	42,400	43,150	43,573	43,578	43,574	43,530	43,530	43,530	43,530	43,530	43,530		
2000	55	8,640	31,378	39,878	41,548	42,214	42,471	42,523	42,560	42,578	42,578	42,579	42,579	42,579	42,579		
2001	37	9,439	30,718	38,764	40,907	41,546	41,674	41,772	41,771	41,772	41,773	41,773	41,773	41,773	41,773		
2002	26	9,003	26,526	33,869	35,921	36,722	37,271	37,551	37,940	37,962	37,962	37,962	37,962	37,962	37,962		
2003	29	8,078	24,563	32,717	34,903	35,772	35,951	36,138	36,350	36,350	36,350	36,350	36,350	36,350	36,350		
2004	70	8,542	22,423	27,395	29,114	29,565	29,710	29,744	29,744	29,744	29,744	29,744	29,744	29,744	29,744		
2005	73	7,128	19,275	23,946	25,430	25,833	26,386	26,518	26,518	26,518	26,518	26,518	26,518	26,518	26,518		
2006	22	5,394	15,767	19,560	21,424	22,486	22,711	22,825	22,825	22,825	22,825	22,825	22,825	22,825	22,825		
2007	28	5,754	15,041	20,356	21,834	22,271	22,493	22,606	22,606	22,606	22,606	22,606	22,606	22,606	22,606		
2008	64	5,693	18,001	21,673	22,974	23,433	23,667	23,786	23,786	23,786	23,786	23,786	23,786	23,786	23,786		
2009	17	1,304	2,658	3,376	3,578	3,650	3,686	3,705	3,705	3,705	3,705	3,705	3,705	3,705	3,705		
2010	11	710	2,112	2,682	2,843	2,900	2,929	2,944	2,944	2,944	2,944	2,944	2,944	2,944	2,944		
2011	20	207	600	761	807	823	831	836	836	836	836	836	836	836	836		
Paid DCCE T	rended Severity																
Report	Development Qua	arter														Report Year	Trend
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57	Ult Claims	Factor
1997	98	12,738	53,670	73,813	78,966	80,331	80,889	80,944	81,049	81,133	81,135	81,053	81,053	81,053	81,053	1,108	2.467
1998	154	10,443	38,112	49,413	51,239	51,969	52,273	52,567	52,878	52,991	52,863	52,863	52,863	52,863	52,863	1,773	2.328
1999	174	9,471	35,842	46,108	48,244	49,097	49,578	49,583	49,579	49,529	49,529	49,529	49,529	49,529	49,529	1,930	2.196
2000	235	9,283	33,717	42,850	44,644	45,360	45,636	45,692	45,732	45,751	45,751	45,753	45,753	45,753	45,753	1,928	2.072
2001	156	9,844	32,036	40,428	42,663	43,329	43,463	43,564	43,564	43,565	43,565	43,565	43,565	43,565	43,565	1,874	1.954
2002	111	9,753	28,736	36,691	38,914	39,781	40,376	40,680	41,101	41,125	41,125	41,125	41,125	41,125	41,125	1,702	1.844
2003	128	8,761	26,637	35,479	37,849	38,793	38,986	39,189	39,419	39,419	39,419	39,419	39,419	39,419	39,419	1,604	1.739
2004	372	11,313	29,698	36,282	38,560	39,157	39,349	39,394	39,394	39,394	39,394	39,394	39,394	39,394	39,394	1,239	1.641
2005	466	11,412	30,858	38,336	40,711	41,357	42,242	42,453	42,453	42,453	42,453	42,453	42,453	42,453	42,453	967	1.548
2006	143	8,793	25,700	31,882	34,920	36,652	37,018	37,203	37,203	37,203	37,203	37,203	37,203	37,203	37,203	896	1.460
2007	182	9,219	24,098	32,613	34,980	35,679	36,036	36,216	36,216	36,216	36,216	36,216	36,216	36,216	36,216	860	1.378
2008	400	8,831	27,921	33,617	35,634	36,346	36,710	36,893	36,893	36,893	36,893	36,893	36,893	36,893	36,893	838	1.300
2009	681	12,792	26,071	33,110	35,097	35,798	36,156	36,337	36,337	36,337	36,337	36,337	36,337	36,337	36,337	125	1.226
2010	914	14,236	42,333	53,762	56,988	58,128	58,709	59,003	59,003	59,003	59,003	59,003	59,003	59,003	59,003	58	1.157
2011	1,733	17,787	51,628	65,567	69,501	70,891	71,600	71,958	71,958	71,958	71,958	71,958	71,958	71,958	71,958	13	1.091
Least Squares	Parameter Estima	tions															
	1:5	5:9	9:13	13:17	17:21	21:25	25:29	29:33	33:37	37:41	41:45	45:49	49:53				
a=		5,064	-5,152	182	608	216	240	276	-76	-40	124	0	0				
b=	5.094	2.618	1.445	1.056	1.007	1.004	0.998	0.998	1.002	1.000	0.997	1.000	1.000				
LS Use Indic	1	1	0	0	0	0	0	0	0	0	0	0	0				
Link Ratio	40.000	3.000	1.270	1.060	1.020	1.010	1.005	1.000	1.000	1.000	1.000	1.000	1.000				

Regression is of the form y = a + bx

Report

Development Quarter

### SCPIE Indemnity Company & American Healthcare Indemnity Company

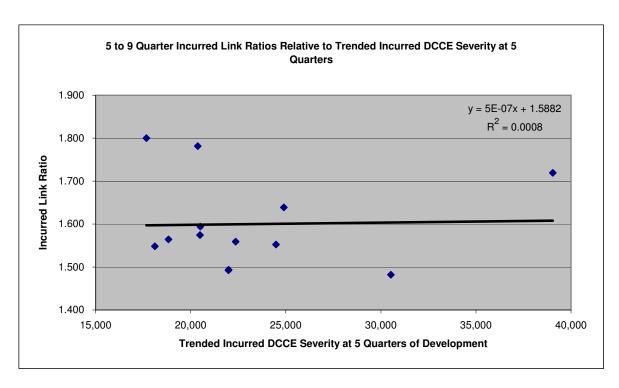
#### **Reserve Development Method**

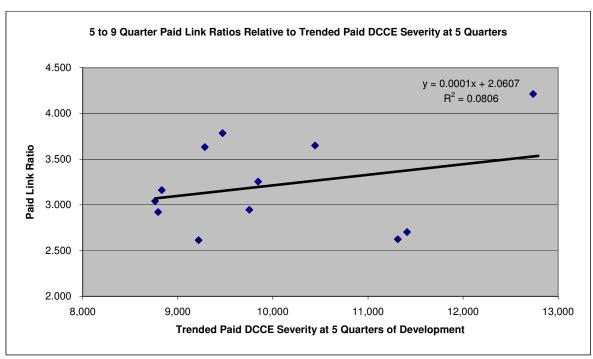
#### California

Unlimited DCCE

						Unlir	nited DCCE								
DCCE Reserves															
Report	Development Q	uarter													
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	1,280	11,813	6,046	1,482	565	261	90	32	33	4	3	2	0	0_	0
1998	2,298	15,296	5,428	1,180	390	164	73	141	25	0	0	0	0_	0	0
1999	2,534	13,557	4,355	1,292	361	158	0	4	0	0	0	0_	0	0	0
2000	2,415	14,149	3,996	1,095	444	135	43	49	9	0	0_	0	0	0	0
2001	3,037	10,089	4,071	1,174	474	140	59	10	9	17_	0	0	0	0	0
2002	2,501	11,302	3,796	1,314	595	404	282	185	12_	0	0	0	0	0	0
2003	2,099	10,811	5,178	1,161	348	247	59	146	135	0	0	0	0	0	0
2004	2,390	8,057	2,348	456	213	77	31	38	0	0	0	0	0	0	0
2005	1,740	6,842	2,505	724	152	321	88	0	0	0	0	0	0	0	0
2006	1,414	6,158	2,305	875	604_	274	120	0	0	0	0	0	0	0	0
2007	1,381	5,549	2,458	1,104	620	429	187	0	0	0	0	0	0	0	0
2008	1,497	5,697	2,503	1,177	528	365	159	0	0	0	0	0	0	0	0
2009	287	786_	674	241	108	75	33	0	0	0	0	0	0	0	0
2010	178	504	210	75	34	23	10	0	0	0	0	0	0	0	0
2011	80	313	131	47	21	15	6	0	0	0	0	0	0	0	0
B : I DCCE															
Paid DCCE	L														
Report	Development Q							••							
Year	1	5	9	13	17	21	25	29	33	37	41	45	49	53	57
1997	11	5,720	24,101	33,146	35,460	36,073	36,324	36,348	36,395	36,433	36,434	36,397	36,397	36,397	36,397
1998	29	7,954	29,029	37,637	39,028	39,584	39,816	40,039	40,276	40,363	40,265	40,265	40,265	40,265	40,265
1999	38	8,324	31,501	40,523	42,400	43,150	43,573	43,578	43,574	43,530	43,530	43,530	43,530	43,530	43,530
2000	55	8,640	31,378	39,878	41,548	42,214	42,471	42,523	42,560	42,578	42,578	42,579	42,579	42,579	42,579
2001	37	9,439	30,718	38,764	40,907	41,546	41,674	41,772	41,771	41,772	41,773	41,773	41,773	41,773	41,773
2002	26	9,003	26,526	33,869	35,921	36,722	37,271	37,551	37,940	37,962	37,962	37,962	37,962	37,962	37,962
2003	29	8,078	24,563	32,717	34,903	35,772	35,951	36,138	36,350	36,485	36,485	36,485	36,485	36,485	36,485
2004	70	8,542	22,423	27,395	29,114	29,565	29,710	29,744	29,782	29,782	29,782	29,782	29,782	29,782	29,782
2005	73	7,128	19,275	23,946	25,430	25,833	26,386	26,474	26,474	26,474	26,474	26,474	26,474	26,474	26,474
2006	22	5,394	15,767	19,560	21,424	22,486	22,844	22,964	22,964	22,964	22,964	22,964	22,964	22,964	22,964
2007	28	5,754	15,041	20,356	21,834	22,997	23,558	23,745	23,745	23,745	23,745	23,745	23,745	23,745	23,745
2008	64 17	5,693	18,001	21,673	24,051	25,042	25,519	25,678	25,678	25,678	25,678	25,678	25,678	25,678	25,678
2009 2010	11	1,304	2,658	3,905 2,015	4,392 2,167	4,595	4,692	4,725 2,271							
		710	1,626		,	2,230	2,261				,				,
2011	20	334	903	1,145	1,240	1,279	1,298	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305
5Yr Paid Ratio	3.934	1.816	1.850	2.021	1.877	1.307	1.374	1.612	1.494	-4.691	-10.387	0.000	1.000	1.000	
5Yr Res Ratio	3.930	0.417	0.358	0.448	0.692	0.436	0.904	0.420	0.299	0.162	0.734	0.000	0.000	0.000	
All Yr Paid Ratio	3.640	1.665	1.804	1.702	1.643	1.424	1.420	1.621	1.367	-4.691	-10.387	0.000	1.000	1.000	
All Yr Res Ratio	4.815	0.380	0.290	0.402	0.526	0.380	0.950	0.394	0.234	0.162	0.734	0.000	0.000	0.000	
Sel Paid Ratio Sel Res Ratio	3.934 3.930	1.816 0.417	1.850 0.358	2.021 0.448	1.877 0.692	1.307 0.436	1.000 0.000								
Res Dev to Ult	16.102	3.097	3.068	3.404	3.083	1.743	1.000	1.000	1.000	1.000	1.000	1.000	1.000		

## SCPIE Indemnity Company & American Healthcare Indemnity Company Relationship Between Link Ratio and Loss Amount





# SCPIE Indemnity Company & American Healthcare Indemnity Company Incurred Loss & DCCE Adjusted for DD&R Load

					$(5) = (1) \times (4)$	$(6) = (2) \times (4)$	(7) = (5) + (6)
	(1)	(2)	(3) = (1) + (2)	(4)	Adjusted	Adjusted	Adjusted
Report	Incurred	Incurred	Incurred	DD&R	Incurred	Incurred	Incurred
Year	Loss	DCCE	Loss & DCCE	Factor	Loss	DCCE	Loss & DCCE
2008	25,065	22,850	47,915	1.037	25,998	23,701	49,698
2009	4,794	3,332	8,126	1.037	4,972	3,456	8,428
2010	2,118	1,214	3,332	1.037	2,197	1,259	3,456

# SCPIE Indemnity Company & American Healthcare Indemnity Company Calfornia DD&R Load Calculation

 (1)
 6/30/2008 In-Force Eligible Written Premium :
 \$183,934,119

 (2)
 6/30/2008 FTE Physicians :
 18,238

 (3)
 Average Claims Made Premium :
 \$10,085

 (4)
 DD&R Pure Premium :
 \$19,780

(5) DD&R Premium Payment : \$266(6) Indicated DD&R Load to Premium : 2.6%

(7) Loss Ratio Underlying Current Rates: 70.78%
 (8) Indicated DD&R Load to Loss: 3.7%

#### Notes:

- (1) Excludes Entity, non FTE physician, APA, Occurrence, Slot, and Auxiliary physician premium California only.
- (2) Excludes non FTE physician, APA, Occurrence, Slot, and Auxiliary physician counts. From 1Q11 Reserve Analysis California only.
- (3) = (1) / (2)
- (4) From 1Q11 Reserve Analysis California only.
- (5): Assumes 4.0% annual long-term pure premium trend and 4.0% discount rate. See Exhibit 7b, Page 3.3.
- (6) = (5) / (3)
- (7) From Ratemaking Template
- (8) = (6) / (7)

#### TDC Group (excluding OHIC, PULIC sub, SCPIE) California DD&R UEPR Calculation @1Q11

Pure Premium Trend: Premium Trend: 4.0% 4.0%

Total

5,100

141,212,029

84,435,950

317,720

84,435,950

DD&R Pure Premium @ 9/30/11 Disc. Factor at DD&R Issuance: 19,780 0.870

1Q11 DD&R Premium 265.8

2012   500   19,780   9,884,296   8,273,256   8,272,256   15,656   276   4,272,083   4,160,657   59,986,670   51,934,141   21,304   466   20,571   9,577,268   7,709.52   15,981,208   13,455   287   3,867,645   3,573,856   63,442,55   47,461   21,044   411   21,304   9,226,973   7,140,412   23,121,619   11,564   299   3,456,854   3,073,131   66,515,656   43,946,030   30,562,034   3,073,131   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   66,515,656   43,946,030   3,074,031   67,074,031	Premium Trend: Discount Rate:	:	4.0% 4.0%			Disc. Factor at	DD&R Issuance:	0.870				
Trickells   Control   Co		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
	Year Ending	DD&R	Trended Pure		Discounted				Total Premium	Present Value of	Present Value of	
Post	1Q	Extensions	Premium	Liability	Liability	Liability	Payments	Premium	Paid In	Total Premium	Total Premium	DD&R Reserve
1985			Prem*(1+PPTrend	= (1) x (2)	Dscnt Factor)/(1+DiscR			Premium/(1+Pr emTrend)^(201	= (6) x (7)	(1+DiscRate)^(201		= (10) - (5)
1996												
1985												
1990	1987						2,815	104	291,836	748,064	2,534,812	
1990												
1992												
1996												
1996												
1997							4,929	136	672,505	1,309,973	10,230,715	
1996												
1990												
1,000   1,00												
1906												
1,000   1,00												
11,903	2004						9,798	202	1,978,780	2,603,940	28,906,732	
12,992   227   2,951,430   3,452,755   38,449,623												
15,684   246   3,833,649   4,168,106   46,506,652	2007						12,992	227	2,951,430	3,452,755	38,449,623	
16,027   256												
2012   500   19,780   9,884,296   8,273,256   8,273,256   15,656   276   4,327,083   4,160,657   59,966,670   51,954,120   14   14   12,394   9,226,973   7,140,412   23,121,619   11,564   299   3,456,854   3,073,131   66,515,656   43,394,03   2016   365   23,140   8,440,350   6,038,899   35,734,426   8,457   323   2,763,608   2,271,484   71,430,044   35,095,61   2017   333   2,4066   8,018,357   5,516,319   41,207,45   7,441   336   2,271,484   71,430,044   35,095,61   2018   303   25,028   7,880,693   5,014,638   46,265,838   6,298   350   2,202,459   1,673,688   7,554,652   28,789,26   2019   274   2,6029   7,130,970   4,535,717   5,003,1099   5,398   364   1,445,511   7,649,203   2,588,402   2,279   3,588,687   3,285,573   3,393   1,748,045   1,228,153   7,771,736   22,283,43   3,486,633   3,486,633   3,486,633   3,486,633   3,486,633   3,486,633   3,486,633   3,486,633   3,486,634   3,48	2010						16,927		4,325,547	4,498,569	50,859,221	
2013   466   20.571   9.577.268   7.079.952   15.981.208   13.455   287   3.867.645   3.575.856   63.442.252   47.6431   20.155   397   22.250   8.834.723   6.573.907   29.995.527   9.945   311   3.091.824   2.642.004   69.158.566   34.462.251   39.670.2016   365   23.140   8.401.590   6.083.899   35.734.426   8.547   323   2.076.3608   2.271.848   71.430.044   32.30.2018   303   2.4066   8.018.557   5.516.319   41.250.745   7.341   336   2.406.533   1.950.019   73.380.064   32.30.2018   303   2.50.028   7.980.095   30.16.588   40.55.838   6.08   30.20.2024   9.274   2.602.09   71.300.707   4.355.717   50.801.099   5.398   364   1.962.322   1.434.511   76.489.03   2.588.810   2.2022   2.2071.00   4.355.717   50.801.099   5.398   364   1.962.322   1.434.511   76.489.03   2.588.810   2.2022   2.207.00   4.355.717   50.801.099   5.398   364   1.962.322   1.434.511   76.489.03   2.588.810   2.2022   2.207.00   4.207.00   2.208.00   2.207.00   2.208.00   2.207.00   2.208.00   2.207.00   2.208.00   2.		500	10.780	0.884.206	9 273 256	9 272 256						55,706,013
2015   397   22.250												47,461,318
2016												43,394,037
2018   303   25,028   7,880,093   5,014,658   42,025,183   5.02   20,024   16,73,688   75,084,652   28,789,29												35,695,619
2019   274   26,029   7,130,970   4,515,717   50,801,099   5,398   364   1,963,282   1,434,551   76,489,203   25,688,104   2020   247   27,071   66,838,72   4,621   378   1,748,045   1,228,153   77,717,55   22,888,142   2021   222   28,153   6,238,354   3,668,602   58,557,524   3,953   393   1,554,940   1,050,462   78,767,818   20,210,223   177   30,451   5,376,407   2,923,183   64,764,213   2,878   425   1,224,488   764,811   80,429,251   15,665,02   2024   157   31,669   4,971,770   2,999,212   69,666,340   2,882   446   988,155   553,311   81,633,660   11,967,35   2025   139   32,935   4,581,179   2,300,2897   69,666,340   2,882   460   988,155   553,311   81,633,660   11,967,35   2026   123   34,253   4,581,179   2,200,2897   69,666,340   2,882   446   988,155   553,311   81,633,660   11,967,35   2026   123   34,253   3,848,653   1,788,707   73,489,157   1,490   498   741,644   395,970   82,498,477   9,090,32   2028   95   37,048   3,503,988   1,565,885   76,522,078   1,055,203   1												32,130,219
2021         222         28,153         6,238,354         3,668,602         58,557,524         3,933         393         1,554,040         1,050,462         78,767,818         20,210           2022         198         29,279         5,806,879         3,283,523         6,184,1048         3,374         409         1,380,009         896,622         79,664,440         1,782,339           2023         177         30,451         5,376,6407         2,293,183         64,764,231         2,2878         425         1,224,488         764,811         80,429,251         1,565,002           2025         139         32,935         4,581,179         2,302,897         69,666,340         2,082         460         988,155         553,311         81,633,600         11,976,739           2026         123         34,253         3,4283         3,4283         1,788,707         73,489,157         1,400         498         741,644         395,970         82,498,477         9,002           2028         95         37,048         3,530         88,153         1,568,802         55,885         568,176         280,467         83,112,480         6,004           2030         72         40,071         2,584,178         1,225,487         88,125,28												25,688,104
2022         198         29.279         \$5.806.879         3.283.523         61.841.048         3.374         4.99         1,380.309         896.622         79.664.40         17.823.39           2024         157         31.669         4.971.770         2.599.212         6736.343         2.450         443         1.084.175         651.128         81.080.379         13.716.99           2025         139         32.935         4.581.179         2.302.897         60.665.340         2.082         443         1.084.175         651.128         81.033.079         13.716.99           2026         123         34.223         4.208.336         2.094.110         71.700.450         1.764         479         844.314         448.818         82.102.507         10.402.05           2027         108         3.563.33         3.813.638         1.765.026         1.255         518         649.695         333.530         82.499.471         71.769.77           2029         83         3.853.03         3.181.384         1.367.066         76.422.078         1.055         538         568.176         280.467         83.112.480         66.609.02           2031         62         41.674         2.594.775         1.032.088         77.661.776.18												22,828,434
2023   177   30,451   5.376,407   2.923,183   64,764,231   2.4878   425   1.224,488   764,811   80,429,251   15,665,00												20,210,293 17,823,392
2025         139         32,935         4,581,179         2,302,897         69,666,40         2,082         460         958,155         553,311         81,633,690         11,967,326           2027         108         35,623         3,848,653         1,788,707         73,489,157         1,490         498         741,644         395,970         82,498,477         9,009,32           2028         95         37,048         3,503,988         1,565,888         75,055,042         1,255         518         649,695         333,536         82,882,013         7,776,97           2029         83         38,530         3,181,384         1,367,036         76,422,078         1,055         538         568,176         280,467         83,112,480         6,690,40           2030         72         40,071         2,884,178         1,191,661         77,613,739         83         560         494,41         234,653         83,347,116         5733,771           2031         62         41,674         2,997,756         1,052,038         78,645,777         788         82         429,841         196,174         83,543,289         4,897,51           2033         34         74         5,074         74,671         80,315,238	2023	177	30,451	5,376,407	2,923,183	64,764,231	2,878	425	1,224,488	764,811	80,429,251	15,665,020
2026         123         34,253         4,208,336         2,034,110         71,700,450         1.764         479         844,314         468,818         82,102,507         10,402,027           2027         108         35,623         3,848,653         1,788,707         73,489,157         1,409         498         741,644         305,979         82,498,477         9,099,32           2028         95         37,048         3,503,988         1,565,885         75,085,042         1,255         518         649,695         333,536         82,112,800         6690,40           2039         72         40,071         2,884,178         1,191,661         77,613739         883         560         494,341         234,635         83,347,116         5,733,37           2031         62         41,674         2,597,756         1,032,038         78,6645,777         738         582         429,841         196,176         83,543,289         4,897,51           2033         47         45,074         2,109,050         774,671         80,315,338         510         630         321,307         135,577         83,842,516         3,527,17           2034         40         46,877,73         1,880,857         664,187         80,915,533												
2028         95         37,048         3,503,988         1,565,885         75,055,042         1,255         518         649,695         333,536         82,382,013         7,776,97           2030         72         40,071         2,884,178         1,191,661         77,613,739         883         560         494,341         234,635         83,347,116         5,733,771           2031         62         41,674         2,597,756         1,032,038         78,645,777         738         582         429,841         196,174         83,342,89         4,897,51           2032         54         43,341         2,342,641         894,890         79,540,667         616         606         372,920         163,650         83,706,939         4,166,272           2034         40         46,877         1,880,587         664,187         80,979,526         423         655         276,988         112,381         83,954,898         2,975,37           2035         35         48,753         1,682,280         571,297         81,550,823         349         681         237,561         92,678         84,132,864         2,986,75           2037         25         52,731         1,325,867         46,291         82,451,919         235<	2026	123	34,253	4,208,336	2,034,110	71,700,450	1,764	479	844,314	468,818	82,102,507	10,402,058
2029         83         38,530         3,181,384         1,367,036         76,422,078         1,055         538         568,176         280,467         83,112,480         6,690,40           2030         72         40,071         2,884,178         1,191,661         77,613,739         883         560         494,341         234,635         83,347,116         5733,373           2031         62         41,674         2,597,756         1,032,038         78,645,777         738         582         429,841         196,174         83,543,289         4,897,12           2033         47         45,074         2,109,050         774,671         80,315,338         510         630         321,307         135,577         83,842,516         3,527,172           2034         40         46,877         1,880,587         664,187         80,979,526         423         655         276,988         112,381         83,954,898         2,975,37           2036         29         50,703         1,494,712         488,077         82,038,900         287         708         203,374         76,289         84,123,864         2,084,96           2037         25         52,731         1,325,867         416,291         82,455,191         235												9,009,320
2031         62         41,674         2,597,756         1,032,038         78,645,777         738         582         49,841         196,174         83,543,289         4,897,32           2032         54         43,341         2,342,641         894,890         79,540,667         616         606         372,920         163,650         83,706,939         4,166,27           2033         47         45,074         2,109,050         774,671         80,315,338         510         630         321,307         135,577         83,842,516         3,527,17           2034         40         46,877         1,880,587         664,187         80,979,526         423         655         26,988         112,381         83,954,898         2,975,37           2036         29         50,703         1,494,712         488,077         82,038,900         287         708         203,374         76,289         84,123,864         2,084,96           2037         25         52,731         1,325,867         416,291         82,455,191         235         737         173,096         62,434         84,484         1,167,431         332,448         82,807,639         192         766         146,931         50,945         84,372,266         1,296 <td></td> <td>6,690,402</td>												6,690,402
2032         54         43,341         2,342,641         894,890         79,540,667         616         606         372,920         163,650         83,706,939         4,166,27           2033         47         45,074         2,109,050         774,671         80,315,338         510         630         321,307         135,577         83,842,516         3,527,17           2034         40         46,877         1,880,887         664,187         80,979,526         423         655         276,988         112,381         83,954,898         2,975,37           2035         35         48,753         1,682,280         571,297         81,550,823         349         681         237,561         92,678         84,047,575         2,96,75           2036         29         50,703         1,494,712         488,077         82,038,900         287         708         203,374         76,289         84,123,864         2,096,75           2037         25         52,731         1,325,867         416,291         82,455,191         235         737         173,096         62,434         84,186,298         1,731,10           2039         18         57,034         1,024,710         297,462         83,105,101         156												5,733,376
2034         40         46,877         1,880,587         664,187         80,979,526         423         655         276,988         112,381         83,954,898         2,975,37           2035         35         48,753         1,682,280         571,297         81,550,823         349         681         237,561         92,678         84,047,575         2,966,75           2036         29         50,703         1,494,712         488,077         82,038,900         287         708         203,374         76,289         84,123,864         2,084,900           2037         25         52,731         1,325,867         416,291         82,455,191         235         737         173,096         62,434         84,186,298         1,731,10           2038         21         54,840         1,167,431         352,448         82,807,639         192         766         146,931         50,98         84,237,256         1,429,41           2039         18         57,034         1,024,710         297,462         83,105,101         156         797         124,080         41,378         84,237,256,34         1,173,53           2040         15         59,315         893,522         249,404         83,3554,505         126												4,166,272
2035         35         48,753         1,682,280         571,297         81,550,823         349         681         237,561         92,678         84,047,575         2,496,75           2036         29         50,703         1,494,712         488,077         82,038,900         287         708         203,374         76,289         84,123,864         2,084,96           2037         25         52,731         1,325,867         416,291         235         737         173,096         62,434         84,186,298         1,731,109           2038         21         54,840         1,167,431         352,448         82,807,639         192         766         146,931         50,958         84,237,256         1,429,61           2040         15         59,315         893,522         249,404         83,354,505         126         829         104,284         33,439         84,312,073         957,56           2041         13         61,687         774,608         207,896         83,562,401         101         862         87,342         26,929         84,330,588         625,58           2042         10         64,155         668,820         172,600         83,373,000         81         896         72,811												3,527,178
2036         29         50,703         1,494,712         488,077         82,038,900         287         708         203,374         76,289         84,123,864         2,084,96           2037         25         52,731         1,325,867         416,291         82,455,191         235         737         173,096         62,434         84,186,298         1,731,10           2038         21         54,840         1,167,431         352,448         82,807,639         192         766         146,931         50,958         84,237,256         1,429,61           2040         15         57,034         1,024,710         297,462         83,105,101         156         797         124,080         41,378         84,278,634         1,173,53           2041         13         61,687         774,608         207,896         83,352,401         101         862         87,342         26,929         84,339,002         776,60           2042         10         64,155         668,820         172,600         83,735,000         81         896         72,811         21,586         84,360,588         625,58           2043         9         66,721         574,138         142,467         65         932         60,281												2,975,372 2,496,752
2038         21         54,840         1,167,431         352,448         82,807,639         192         766         146,931         50,958         84,237,256         1,429,61           2039         18         57,034         1,024,710         297,462         83,105,101         156         797         124,080         41,378         84,237,256         1,173,53           2040         15         59,315         893,522         249,404         83,354,505         126         829         104,284         33,439         84,312,073         957,56           2041         13         61,687         774,608         207,896         83,562,401         101         862         87,342         26,929         84,339,002         776,60           2042         10         64,155         668,820         172,600         83,735,000         81         896         72,811         21,586         84,360,588         625,58           2043         9         66,721         574,138         142,467         83,877,467         65         932         60,281         17,184         84,377,771         500,20           2044         7         69,390         488,644         116,589         83,3877,467         65         932			50,703	1,494,712	488,077	82,038,900		708	203,374	76,289	84,123,864	2,084,965
2039         18         57,034         1,024,710         297,462         83,105,101         156         797         124,080         41,378         84,278,634         1,173,53           2040         15         59,315         893,522         249,404         83,354,505         126         829         104,284         33,439         84,312,073         957,56           2041         13         61,687         774,608         207,896         83,352,401         101         862         87,342         26,929         84,339,002         776,60           2042         10         64,155         668,820         172,600         83,735,000         81         896         72,811         21,586         84,360,588         625,58           2043         9         66,721         574,138         142,467         65         932         60,281         17,184         84,377,771         500,30           2044         7         69,390         488,644         116,589         83,994,056         51         970         49,823         13,656         84,371,428         397,37           2045         6         72,166         414,944         95,196         84,089,252         40         1,008         40,829         10,761												1,731,107 1,429,617
2041         13         61,687         774,608         207,896         83,552,401         101         862         87,342         26,929         84,339,002         776,60           2042         10         64,155         668,820         172,600         83,735,000         81         896         72,811         21,586         84,360,588         625,58           2043         9         66,721         574,138         142,467         65         932         60,281         17,184         84,377,771         500,30           2044         7         69,390         488,644         116,589         83,994,056         51         970         49,823         13,656         84,391,428         397,37           2045         6         72,166         414,944         95,196         84,089,252         40         1,008         40,829         10,761         84,402,188         312,93           2046         5         75,052         348,566         76,892         84,166,144         32         1,099         33,176         8,407         84,401,895         224,45           2047         4         78,054         289,703         61,449         84,227,594         25         1,091         26,755         6,519         <	2039	18	57,034	1,024,710	297,462	83,105,101	156	797	124,080	41,378	84,278,634	1,173,533
2042         10         64,155         668,820         172,600         83,735,000         81         896         72,811         21,586         84,360,588         625,58           2043         9         66,721         574,138         142,467         83,877,467         65         932         60,281         17,184         84,377,771         500,30           2044         7         69,390         488,644         116,589         83,994,056         51         970         49,823         13,656         84,391,428         397,37           2045         6         72,166         414,944         95,196         84,089,252         40         1,008         40,829         10,761         84,402,188         312,93           2046         5         75,052         348,566         76,892         84,166,144         32         1,009         33,176         8,407         84,410,595         244,45           2047         4         78,054         289,703         61,449         84,227,594         25         1,091         26,755         6,519         84,417,115         189,52           2048         3         81,177         238,419         48,626         84,276,220         19         1,134         21,476												
2044         7         69,390         488,644         116,589         83,994,056         51         970         49,823         13,656         84,391,428         397,37           2045         6         72,166         414,944         95,196         84,089,252         40         1,008         40,829         10,761         84,402,188         312,93           2046         5         75,052         348,566         76,892         84,166,144         32         1,049         33,176         8,407         84,410,595         244,45           2047         4         78,054         289,703         61,449         84,227,594         25         1,091         26,755         6,519         84,417,115         189,52           2048         3         81,177         238,419         48,626         84,276,220         19         1,134         21,476         5,032         84,422,147         145,92           2049         2         84,424         194,919         38,225         84,314,445         14         1,180         17,050         3,841         84,225,988         111,54           2051         1         91,313         126,309         22,901         84,346,499         11         1,227         13,510	2042	10	64,155	668,820	172,600	83,735,000	81	896	72,811	21,586	84,360,588	625,587
2045         6         72,166         414,944         95,196         84,089,252         40         1,008         40,829         10,761         84,402,188         312,93           2046         5         75,052         348,566         76,892         84,166,144         32         1,049         33,176         8,407         84,410,595         244,45           2047         4         78,054         289,703         61,449         84,227,594         25         1,091         26,755         6,519         84,417,115         189,52           2048         3         81,177         238,419         48,626         84,276,220         19         1,134         21,476         5,032         84,422,147         145,92           2049         2         84,424         194,919         38,225         84,314,445         14         1,180         17,050         3,841         84,425,988         111,54           2050         2         87,801         157,235         29,649         84,344,904         11         1,227         13,510         2,927         84,428,988         111,54           2051         1         91,313         126,309         22,901         84,366,996         8         1,276         10,490												500,304 397 372
2047         4         78,054         289,703         61,449         84,227,594         25         1,091         26,755         6,519         84,417,115         189,52           2048         3         81,177         238,419         48,626         84,276,620         19         1,134         21,476         5,032         84,422,147         145,92           2049         2         84,424         194,919         38,225         84,314,445         14         1,180         17,050         3,841         84,425,988         111,54           2050         2         87,801         157,235         29,649         84,344,094         11         1,227         13,510         2,927         84,428,914         84,82           2051         1         91,313         126,309         22,901         84,366,906         8         1,276         10,490         2,185         84,431,099         64,10           2052         1         94,965         99,151         17,286         84,384,282         6         1,327         8,101         1,623         84,432,722         48,44           2053         1         98,764         77,268         12,953         84,497,734         4         1,380         6,118         1,178<	2045	6	72,166	414,944	95,196	84,089,252	40	1,008	40,829	10,761	84,402,188	312,936
2048         3         81,177         238,419         48,626         84,276,220         19         1,134         21,476         5,032         84,422,147         145,92           2049         2         84,424         194,919         38,225         84,314,445         14         1,180         17,050         3,841         84,425,988         111,54           2050         2         87,801         157,235         29,649         84,344,094         11         1,227         13,510         2,927         84,428,918         84,828           2051         1         91,313         126,309         22,901         84,366,996         8         1,276         10,490         2,185         84,431,009         64,10           2052         1         94,965         99,151         17,286         84,384,282         6         1,327         8,101         1,623         84,432,722         48,44           2053         1         98,764         77,268         12,953         84,397,234         4         1,380         6,118         1,178         84,433,009         36,66           2054         1         102,714         58,770         9,473         84,406,707         3         1,435         4,529         839												244,451
2049         2         84,424         194,919         38,225         84,314,445         14         1,180         17,050         3,841         84,425,988         111,54           2050         2         87,801         157,235         29,649         84,346,094         11         1,227         13,510         2,927         84,428,914         84,82           2051         1         91,313         126,309         22,901         84,366,996         8         1,276         10,490         2,185         84,431,099         64,10           2052         1         94,965         99,151         17,286         84,384,282         6         1,327         8,101         1,623         84,432,722         48,44           2053         1         98,764         77,268         12,953         84,397,234         4         1,380         6,118         1,178         84,433,900         36,66           2054         1         102,714         58,770         9,473         84,406,707         3         1,435         4,529         839         84,434,738         28,03           2055         0         106,823         43,730         6,778         84,413,485         2         1,493         3,224         574												189,521 145,927
2051         1         91,313         126,309         22,901         84,366,996         8         1,276         10,490         2,185         84,31,099         64,10           2052         1         94,965         99,151         17,286         84,384,282         6         1,327         8,101         1,623         84,432,722         48,44           2053         1         98,764         77,268         12,953         84,397,234         4         1,380         6,118         1,178         84,433,000         36,66           2054         1         102,714         58,770         9,473         84,406,707         3         1,435         4,529         839         84,434,738         28,03           2055         0         106,823         43,730         6,778         84,413,485         2         1,493         3,224         574         84,435,512         21,82           2056         0         111,096         31,252         4,657         84,418,143         1         1,552         2,250         385         84,435,698         17,55           2057         0         115,539         21,885         3,136         84,421,279         1         1,614         1,530         252         84,435,	2049	2	84,424	194,919	38,225	84,314,445	14	1,180	17,050	3,841	84,425,988	111,543
2052         1         94,965         99,151         17,286         84,384,282         6         1,327         8,101         1,623         84,432,722         48,44           2053         1         98,764         77,268         12,953         84,397,234         4         1,380         6,118         1,178         84,433,900         36,66           2054         1         102,714         58,770         9,473         84,406,707         3         1,435         4,529         839         84,434,738         28,03           2055         0         106,823         43,730         6,778         84,413,485         2         1,493         3,224         574         84,435,512         21,82           2056         0         111,096         31,252         4,657         84,418,143         1         1,552         2,250         385         84,435,698         17,55           2057         0         115,539         21,885         3,136         84,421,279         1         1,614         1,530         252         84,435,950         14,67												84,820 64,103
2054         1         102,714         58,770         9,473         84,406,707         3         1,435         4,529         839         84,434,738         28,03           2055         0         106,823         43,730         6,778         84,413,485         2         1,493         3,224         574         84,435,512         21,82           2056         0         111,096         31,252         4,578         84,418,413         1         1,552         2,250         385         84,435,698         17,555           2057         0         115,539         21,885         3,136         84,421,279         1         1,614         1,530         252         84,435,950         14,67	2052	1	94,965	99,151	17,286	84,384,282	6	1,327	8,101	1,623	84,432,722	48,440
2055         0         106,823         43,730         6,778         84,413,485         2         1,493         3,224         574         84,435,512         21,82           2056         0         111,096         31,252         4,657         84,418,143         1         1,552         2,250         385         84,435,698         17,55           2057         0         115,539         21,885         3,136         84,421,279         1         1,614         1,530         252         84,435,950         14,67												36,665 28,031
2056         0         111,096         31,252         4,657         84,418,143         1         1,552         2,250         385         84,435,698         17,55           2057         0         115,539         21,885         3,136         84,421,279         1         1,614         1,530         252         84,435,950         14,67	2055											21,827
											84,435,698	17,555
2036 1 120,101 100,479 14,071 64,435,930 (0) 1,079 (0) (0) 84.435.930 (	2057	0	115,539 120,161	21,885 106,479	3,136 14,671	84,421,279 84,435,950	1 (0)		1,530		84,435,950 84,435,950	14,671

#### Report Year Loss Severity Trend Analysis Statewide - Excludes TDC Redding Claims

Report Year	Ultimate Loss	Ultimate Claim Count	Ultimate Severity		'97-'10	'97-'08	'99-'08		
				-				•	
1997	37.986.663	2.097	\$18,115		\$22,034	\$21,736			
							\$24,592		
2001		1,416	\$30,751		\$24,347	\$24,365	\$25,439		
2002	38,930,433	1,451	\$26,830		\$24,962	\$25,071	\$25,874		
2003	39,622,426	1,522	\$26,033		\$25,592	\$25,796	\$26,315		
2004	34,434,285	1,285	\$26,797		\$26,239	\$26,543	\$26,765		
2005	27,911,040	1,181	\$23,633		\$26,902	\$27,312	\$27,221		
2006	39,754,676	1,261	\$31,526		\$27,582	\$28,103	\$27,686		
2007	33,600,000	1,239	\$27,119		\$28,279	\$28,916	\$28,159		
2008	34,450,000	1,216	\$28,331		\$28,993	\$29,753	\$28,640		
2009	53,750,000	1,882	\$28,560		\$29,726				
2010	56,250,000	1,909	\$29,466		\$30,477				
								Selected	]
				Trend:	2.5%	2.9%	1.7%	2.5%	
	Trended P	rojected Severit	y for Report	Year 2010 :	\$30,477	\$31,501	\$29,626	\$31,000	J
				Report	Trend				
				Year	Factor *	<u>.</u>			
				2008	1.118				
	Year  1997 1998 1999 2000 2001 2002 2003 2004 2005 2006 2007 2008 2009	Year Loss  1997 37,986,663 1998 46,473,182 1999 37,413,730 2000 32,731,373 2001 43,543,831 2002 38,930,433 2003 39,622,426 2004 34,434,285 2005 27,911,040 2006 39,754,676 2007 33,600,000 2008 34,450,000 2009 53,750,000 2010 56,250,000	Year         Loss         Claim Count           1997         37,986,663         2,097           1998         46,473,182         1,994           1999         37,413,730         1,588           2000         32,731,373         1,466           2001         43,543,831         1,416           2002         38,930,433         1,451           2003         39,622,426         1,522           2004         34,434,285         1,285           2005         27,911,040         1,181           2006         39,754,676         1,261           2007         33,600,000         1,239           2008         34,450,000         1,216           2009         53,750,000         1,882           2010         56,250,000         1,909	Year         Loss         Claim Count         Severity           1997         37,986,663         2,097         \$18,115           1998         46,473,182         1,994         \$23,307           1999         37,413,730         1,588         \$23,560           2000         32,731,373         1,466         \$22,327           2001         43,543,831         1,416         \$30,751           2002         38,930,433         1,451         \$26,830           2003         39,622,426         1,522         \$26,033           2004         34,434,285         1,285         \$26,797           2005         27,911,040         1,181         \$23,633           2006         39,754,676         1,261         \$31,526           2007         33,600,000         1,239         \$27,119           2008         34,450,000         1,216         \$28,331           2009         53,750,000         1,882         \$28,560           2010         56,250,000         1,909         \$29,466	Year         Loss         Claim Count         Severity           1997         37,986,663         2,097         \$18,115           1998         46,473,182         1,994         \$23,307           1999         37,413,730         1,588         \$23,560           2000         32,731,373         1,466         \$22,327           2001         43,543,831         1,416         \$30,751           2002         38,930,433         1,451         \$26,830           2003         39,622,426         1,522         \$26,033           2004         34,434,285         1,285         \$26,797           2005         27,911,040         1,181         \$23,633           2006         39,754,676         1,261         \$31,526           2007         33,600,000         1,239         \$27,119           2008         34,450,000         1,216         \$28,331           2009         53,750,000         1,882         \$28,560           2010         56,250,000         1,909         \$29,466    Trend :  Report	Year         Loss         Claim Count         Severity         '97-'10           1997         37,986,663         2,097         \$18,115         \$22,034           1998         46,473,182         1,994         \$23,307         \$22,591           1999         37,413,730         1,588         \$23,560         \$23,161           2000         32,731,373         1,466         \$22,327         \$23,747           2001         43,543,831         1,416         \$30,751         \$24,347           2002         38,930,433         1,451         \$26,830         \$24,962           2003         39,622,426         1,522         \$26,033         \$25,592           2004         34,434,285         1,285         \$26,797         \$26,239           2005         27,911,040         1,181         \$23,633         \$26,902           2006         39,754,676         1,261         \$31,526         \$27,582           2007         33,600,000         1,239         \$27,119         \$28,279           2008         34,450,000         1,216         \$28,331         \$28,993           2009         53,750,000         1,882         \$28,560         \$29,726           2010         56,250,000 </td <td>Year         Loss         Claim Count         Severity         '97-'10         '97-'08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736           1998         46,473,182         1,994         \$23,307         \$22,591         \$22,366           1999         37,413,730         1,588         \$23,560         \$23,161         \$23,013           2000         32,731,373         1,466         \$22,327         \$23,747         \$23,680           2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365           2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071           2003         39,622,426         1,522         \$26,033         \$25,592         \$25,796           2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543           2005         27,911,040         1,181         \$23,633         \$26,902         \$27,312           2006         39,754,676         1,261         \$31,526         \$27,582         \$28,103           2007         33,600,000         1,216         \$28,331         \$28,993         \$29,753           2008</td> <td>Year         Loss         Claim Count         Severity         '97-'10         '97-'08         '99-'08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736         \$22,366         \$29,417         \$22,306         \$22,366         \$23,013         \$24,592         \$22,366         \$23,161         \$23,013         \$24,592         \$2000         \$27,31,373         1,466         \$22,327         \$23,747         \$23,680         \$25,012         \$2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365         \$25,439         \$2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071         \$25,874         \$2003         39,622,426         1,522         \$26,033         \$25,592         \$25,776         \$26,315         \$2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543         \$26,765         \$2005         \$27,911,040         1,181         \$23,633         \$26,902         \$27,312         \$27,221         \$2006         39,754,676         1,261         \$31,526         \$22,582         \$28,103         \$27,686         \$2007         33,600,000         1,239         \$27,119         \$28,293         \$29,753         \$28,640           2009         <t< td=""><td>Year         Loss         Claim Count         Severity         97-10         '97-08         '99-08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736           1998         46,473,182         1,994         \$23,307         \$22,591         \$22,366           1999         37,413,730         1,588         \$23,560         \$23,161         \$23,013         \$24,592           2000         32,731,373         1,466         \$22,327         \$23,747         \$23,680         \$25,012           2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365         \$25,439           2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071         \$25,874           2003         39,622,426         1,522         \$26,033         \$25,592         \$25,796         \$26,315           2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543         \$26,765           2005         27,911,040         1,181         \$23,633         \$26,902         \$27,312         \$27,221           2006         39,754,676         1,261         \$31,526         \$27,812         \$28,159</td></t<></td>	Year         Loss         Claim Count         Severity         '97-'10         '97-'08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736           1998         46,473,182         1,994         \$23,307         \$22,591         \$22,366           1999         37,413,730         1,588         \$23,560         \$23,161         \$23,013           2000         32,731,373         1,466         \$22,327         \$23,747         \$23,680           2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365           2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071           2003         39,622,426         1,522         \$26,033         \$25,592         \$25,796           2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543           2005         27,911,040         1,181         \$23,633         \$26,902         \$27,312           2006         39,754,676         1,261         \$31,526         \$27,582         \$28,103           2007         33,600,000         1,216         \$28,331         \$28,993         \$29,753           2008	Year         Loss         Claim Count         Severity         '97-'10         '97-'08         '99-'08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736         \$22,366         \$29,417         \$22,306         \$22,366         \$23,013         \$24,592         \$22,366         \$23,161         \$23,013         \$24,592         \$2000         \$27,31,373         1,466         \$22,327         \$23,747         \$23,680         \$25,012         \$2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365         \$25,439         \$2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071         \$25,874         \$2003         39,622,426         1,522         \$26,033         \$25,592         \$25,776         \$26,315         \$2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543         \$26,765         \$2005         \$27,911,040         1,181         \$23,633         \$26,902         \$27,312         \$27,221         \$2006         39,754,676         1,261         \$31,526         \$22,582         \$28,103         \$27,686         \$2007         33,600,000         1,239         \$27,119         \$28,293         \$29,753         \$28,640           2009 <t< td=""><td>Year         Loss         Claim Count         Severity         97-10         '97-08         '99-08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736           1998         46,473,182         1,994         \$23,307         \$22,591         \$22,366           1999         37,413,730         1,588         \$23,560         \$23,161         \$23,013         \$24,592           2000         32,731,373         1,466         \$22,327         \$23,747         \$23,680         \$25,012           2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365         \$25,439           2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071         \$25,874           2003         39,622,426         1,522         \$26,033         \$25,592         \$25,796         \$26,315           2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543         \$26,765           2005         27,911,040         1,181         \$23,633         \$26,902         \$27,312         \$27,221           2006         39,754,676         1,261         \$31,526         \$27,812         \$28,159</td></t<>	Year         Loss         Claim Count         Severity         97-10         '97-08         '99-08           1997         37,986,663         2,097         \$18,115         \$22,034         \$21,736           1998         46,473,182         1,994         \$23,307         \$22,591         \$22,366           1999         37,413,730         1,588         \$23,560         \$23,161         \$23,013         \$24,592           2000         32,731,373         1,466         \$22,327         \$23,747         \$23,680         \$25,012           2001         43,543,831         1,416         \$30,751         \$24,347         \$24,365         \$25,439           2002         38,930,433         1,451         \$26,830         \$24,962         \$25,071         \$25,874           2003         39,622,426         1,522         \$26,033         \$25,592         \$25,796         \$26,315           2004         34,434,285         1,285         \$26,797         \$26,239         \$26,543         \$26,765           2005         27,911,040         1,181         \$23,633         \$26,902         \$27,312         \$27,221           2006         39,754,676         1,261         \$31,526         \$27,812         \$28,159

<sup>\*</sup> Trended from the middle of the report year to a 1/1/2012 filing effective date.

#### Report Year DCCE Severity Trend Analysis Statewide - Excludes TDC Redding Claims

	Report Year	Ultimate DCCE	Ultimate Claim Count	Ultimate Severity		'97-'10	'97-'08	'99-'08	
_	1011	2002		Severity	İ	<i>)</i> , 10	<i>,,</i> 00	,, oo	
	1997	29,743,809	2,097	\$14,184		\$14,433	\$14,665		
	1998	31,633,659	1,994	\$15,864		\$15,343	\$15,526		
	1999	27,845,731	1,588	\$17,535		\$16,310	\$16,438	\$16,546	
	2000	25,554,423	1,466	\$17,431		\$17,338	\$17,404	\$17,497	
	2001	26,366,480	1,416	\$18,620		\$18,432	\$18,426	\$18,503	
	2002	29,794,510	1,451	\$20,534		\$19,594	\$19,509	\$19,567	
	2003	29,582,450	1,522	\$19,437		\$20,829	\$20,655	\$20,691	
	2004	24,706,532	1,285	\$19,227		\$22,143	\$21,868	\$21,881	
	2005	27,831,857	1,181	\$23,566		\$23,539	\$23,153	\$23,139	
	2006	31,299,292	1,261	\$24,821		\$25,023	\$24,513	\$24,469	
	2007	29,600,000	1,239	\$23,890		\$26,601	\$25,953	\$25,875	
	2008	37,900,000	1,216	\$31,168		\$28,278	\$27,477	\$27,363	
	2009	56,250,000	1,882	\$29,888		\$30,061			
	2010	66,250,000	1,909	\$34,704		\$31,957			
									Selected
					Trend:	6.3%	5.9%	5.7%	6.0%
		Trended P	rojected Severit	y for Report Y	Year 2010 :	\$31,957	\$30,800	\$30,599	\$31,000
					Report	Trend			
					Year	Factor *	•		
					2008	1.300			
					2009	1.226			
					2010	1.157			

<sup>\*</sup> Trended from the middle of the report year to a 1/1/2012 filing effective date.

### Report Year Frequency Trend Analysis Excludes TDC Redding Claims

Report	Base Class	Ultimate	Ultimate
Year	Exposure	Claim Count	Frequency
2008	10,673	1,183	0.111
2009	17,669	1,832	0.104
2010	17,847	1,857	0.104

Selected Frequency Trend Rate:

0.0%

# **The Doctors Company** Catastrophe Adjustment

No adjustments are made for catastrophic losses.

# The Doctors Company Credibility Adjustment

The Doctors Company's total loss experience is considered fully credible in the determination of the overall indicated rate level in the state.

## The Doctors Company Ancillary Income

The Doctors Company derives no income from ancillary sources such as premium finance revenues or membership dues.

# The Doctors Company Reinsurance Premium and Recoverables

The cost of reinsurance is not included in the rate development.

#### Request for Variance

#### Variance 1 Request

Pursuant to §2644.27(f)(1)(B), The Doctors Company (TDC) seeks to recover its expenses for risk management activities engaged in during 2010.

Risk management expenses for the Doctors Insurance Group amounted to \$6,284,327 for the medical malpractice line of business in 2010. This includes salaries and other overhead expenses associated with the 43 dedicated patient safety/risk management professionals employed by the Doctors Insurance Group. Risk management activities are provided in all states in which TDC does business, so these expenses should be taken relative to the nationwide direct earned premium of the Doctors Insurance Group for the medical malpractice line of business when calculating the modification to the Efficiency Standard from \$2644.12. The nationwide direct earned premium of the Doctors Insurance Group for calendar year 2010 was \$701,926,000, so the adjustment to the Efficiency Standard should be \$6,284,327 / \$701,926,000 = 0.90%. Therefore, the Efficiency Standard in the Ratemaking Template should be increased from 26.55% to 27.45%. Such an adjustment to the Efficiency Standard is permitted by the regulations since TDC's most recent year expense ratio of 33.4% (see Exhibit 13, Page 2) is higher than the adjusted Efficiency Standard of 27.45%.

The risk management expenses cited above do not include the routine and customary costs of marketing or employing underwriters or adjusters. TDC's risk management activities seek to prevent losses by educating all insureds as to how they may avoid medical malpractice liability.

This variance will move the maximum permitted rate change from -11.85% to -10.54%.

#### Variance 3 Request

Pursuant to §2644.27(f)(3), the Leverage Factor from §2644.17 is modified due to the insurer writing over 90% of direct premium earned in one line of business.

The Leverage Factor for the medical malpractice claims-made line of business is 0.5916. Since more than 90% of the TDC direct earned premium for calendar year 2010 is concentrated in the medical malpractice line of business, we have applied a regulatory modification of 0.85 to the Leverage Factor. The resulting value used in the rating template is thus 0.5029 (0.5916 x 0.85).

This variance will move the maximum permitted rate change from -11.85% to -8.67%.

## The Doctors Company 2010 Annual Statement Expense Ratio State of California

(1)	CA Direct Earned Premium	\$204,671,062	Statutory Page 19
(2)	NW Direct Earned Premium	\$548,964,000	Statutory Page 19
(3)	CA Direct Incurred Loss	\$88,690,312	Statutory Page 19
(4)	CA Direct Incurred DCCE	\$63,464,981	Statutory Page 19
(5)	NW Direct Incurred Loss	\$165,563,499	Statutory Page 19
(6)	NW Direct Incurred DCCE	\$96,403,912	Statutory Page 19
(7)	CA Commission	\$10,057,596	Statutory Page 19
(8)	CA TLF	\$5,110,141	Statutory Page 19
(9)	NW AOE Incurred	\$50,606,000	IEE
(10)	NW Other Acq Incurred	\$8,352,000	IEE
(11)	NW General Exp Incurred	\$55,215,000	IEE
(12)	Commission Ratio	4.91%	= (7) / (1)
(13)	TLF Ratio	2.50%	= (8) / (1)
(14)	AOE Ratio	14.36%	= (9) x [(3) + (4)] / [(5) + (6)] / (1)
(15)	Other Acq Ratio	1.52%	=(10)/(2)
(16)	General Exp Ratio	10.06%	= (11) / (2)
(17)	Total Expense Ratio	33.35%	= (12) + (13) + (14) + (15) + (16)

# The Doctors Company Insurer's Ratemaking Calculation

The company has opted not to provide an Exhibit 14.

# The Doctors Company 2011 California Rate Review Derivation of Overall Rate Change

(1) Indicated Rate Change: -7.3%

(2) Proposed Manual Rate Change: -1.6%

(3) Impact of Change in Discounts: -5.8%

(4) Proposed Overall Rate Change: -7.3%

#### <u>Notes</u>

- (1) See CDI Ratemaking Template
- (2) See Exhibit 15, Page 2
- (3) See Exhibit 15, Page 4
- $(4) = [1 + (2)] \times [1 + (3)] -1$

# The Doctors Company 2011 California Rate Review Calculation of Statewide Manual Rate Change

\*

Territory	Current Average Manual Rate	Indicated Average Manual Rate	Indicated Manual Rate Change	Proposed Average Manual Rate	Proposed Manual Rate Change	FTE Doc Counts
A	\$17,212	\$19,948	15.9%	\$18,245	6.0%	1,024
В	\$14,645	\$13,796	-5.8%	\$14,352	-2.0%	8,454
C	\$13,028	\$14,116	8.4%	\$13,028	0.0%	2,474
D	\$9,267	\$7,973	-14.0%	\$8,433	-9.0%	2,468
E	\$10,565	\$11,027	4.4%	\$10,565	0.0%	2,581
Statewide	\$13,164	\$12,948	-1.6%	\$12,960	-1.6%	17,002

<sup>\*</sup> The indications by specialty and territory have been adjusted uniformly to balance to a statewide indication of -1.6% instead of -7.3% since a 5.8% reduction in premium will be achieved through modifications to the claims-free discount (see Exhibit 15, Page 4).

#### **The Doctors Company** California

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY A - Riverside and San Bernardino counties

SPECIALTY   SPEC   CURRENT   NDICATED   CHANGE   PROPOSED   CHANGE   MILE		TDC	THE DOCTORS COMPANY MANUAL PREMIUM							
Administrix Noticine	SPECIALTY	SPEC								
Allegy   A	Administrative Medicine							3/11		
Asselfaceology   ANEDI   16,239   11,032   11,23   1,7213   6,079   5,070   6,			,	,		,		5		
Nume Austhetist (Spvs By Anc) ANED2			,					95		
Nume Ameritati (Spvs Ity Sur) ANPEN ANPEN ANPEN Cindivogs (Towns) CAR01 19.84 25.46 28.29 21.07 2.06 10.98 2.07 2.08 2.08 2.08 2.08 2.08 2.08 2.08 2.08								0		
Cardiology (Invasive) Cardiology (Invasive) CRP01 CoMe (Actal Than Insertion Spsys) CNM (Actal Than								0		
Chiloppencies CRF00								46		
CNM (Add Pixel in-biar Spres)	Chiropractor	CRP01	2,061	2,462	19.4%	2,185	6.0%	3		
Colona Regular Surg Minutals   Colona Regular Surgery   Colona Surgeron Surgery   Colona S	CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	5,571	6,170	10.8%	5,905	6.0%	1		
Dental (Local ames and mirrors on enly)   DENOI   2,748   3,328   19.4%   20.13   6.0%   50.0%   50.00   50.	CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	11,206	12,406	10.7%	11,878	6.0%	0		
Dental (Seatistion)   DEN02   6.623   6.564   0.9%   7.020   6.0%   Oral Surgeons   DEN03   15.462   19.693   27.49%   16.390   6.0%   Dental Anseshesiologiss   DEN04   23.179   22.975   0.9%   24.570   6.0%   Dental Color   19.500   19.500   6.0%   DENTALOGO   DENTAL	Colon&Rectal Surg(Min/Ltd)	CRS01	33,113	32,821	-0.9%	35,100	6.0%	0		
Demis   Demis   Demos   Demo	Dental (Local anes and nitrous ox only)	DEN01	2,748	3,282	19.4%	2,913	6.0%	69		
Dental Ansethesiologists	Dental (Sedation)							0		
Demandopy   Dema	Oral Surgeons							19		
Demaiology W Liposaction   DER02   29.593   36.103   22.09   31.369   6.09	Dental Anesthesiologists							0		
Diagnostic Radiology	Dermatology					·		28		
Emergency Medicine   EMM01   34,769   31,180   -10,36   36,855   6.078								6		
FGP   10.88	= = = = = = = = = = = = = = = = = = = =							24		
FGP_CMInor_Surgery-No_Ob    FGP02   15,042   19,364   28.7%   15,945   6.0%   15   FGP04   24,007   22,795   4.99%   25,447   6.0%   60%	Emergency Medicine							0		
FGP (Res Mg) Surg-No Ob)	FGP (No Surg-Hospital Care)							29		
FGP (With Obstetrics)					<del>-</del> -	·		114		
Gastroenerology GASOI 17,155   18,708   9,1%   18,184   6,0%   6 cenaral Medicine (Restricted)   GEM01   11,500   11,487   0,0%   12,285   6,0%   6 cenaral Surgery   GES01   48,746   60,801   24,7%   51,671   6,0%   1 cenaral Surgery (Baitatric)   GES02   82,783   82,052   40,0%   87,750   6,0%   6 cenaral Surgery (Major Surgery)   GYN01   26,998   36,103   33,37%   28,618   6,0%   6 cenaral Surgery   GYN02   52,153   50,955   2,2%   55,282   6,0%   6 cenaral Surgery   HAF01   20,116   20,677   2,3%   52,522   6,0%   6 cenaral Surgery   14,701   13,740   16,410   19,4%   14,564   6,0%   1 thermal Medicine Subs - NS   INTSB   11,679   13,128   12,4%   12,380   6,0%   1 thermal Medicine Subs - NS   INTSB   11,679   13,128   12,4%   23,30%   6,0%   7 kerostrology   NEO01   23,179   22,975   4,09%   24,570   6,0%   1 kerostrology   NEO01   19,774   24,288   22,3%   20,960   6,0%   1 kerostrology   NEO01   19,733   1,871   18,9%   1,667   6,0%   1 kerostrology   NEO01   1,573   1,871   18,9%   1,667   6,0%   1 kerostrology   NEO01   4,967   5,169   4,1%   5,265   6,0%   1 kerostrology   0,000   4,967   5,169   4,1%   5,265   6,0%   1 kerostrology   0,000   4,967   5,251   5,7%   5,265   6,0%   1 kerostrology   0,000   4,967   5,251   5,9%   5,352   6,0%								0		
General Modicine (Restricted) GEM01								1		
General Surgery   GES01								25		
Gynecology (Major Surgery) GYN01 GYN02 Gynecology (Ma) (Ph-nitro Fertilization) GYN02 GYN02 GYN04 HAP01 10,170 11,	, ,							0		
Gynecology (Major Surgery) GYN01 GYN02 Gynecology (Ma) (Ph-nitro Fertilization) GYN02 GYN02 GYN04 HAP01 10,170 11,								12		
Cynecology (vI in-vitro Fertilization)   GYNO2										
Hand & Foot Surgery HAPOI   20,116   20,077   2.8%   21,323   6.0%   Internal Medicine Subs - NS   INTSB   11,679   13,128   12,4%   12,380   6.0%   7   10,000   10,								3		
Internal Medicine Subs - NS								0		
Internal Medicine Subs - NS								0		
Neonatology   NEO01   23,179   22,975   -0.9%   24,570   6.0%   Neurology   NEU01   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,28%   20,960   6.0%   19,774   24,288   22,8%   20,960   6.0%   19,774   24,288   22,8%   20,960   24,570   6.0%   24,676   24						·		147		
Neurology								73		
Neurosurgery NSU01 81.808 103.386 26.4% 86.716 6.0% Nuclear Medicine NUC01 7.024 7.672 9.2% 7.445 6.0% Nuclear Medicine NUC01 1.573 1.871 18.9% 1.667 6.0% Obstetries & Gynecology OBG01 64.033 70.893 10.7% 67.875 6.0% 20 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0								0		
Nuclear Medicine   NUCO1   7,024   7,672   9,2%   7,445   6,0%	Neurology		,					12		
Nurse Practitioner NURO1 15.73 1.871 1.89% 1.667 6.0% Dobsteries & Gynecology OBG01 64.033 70.893 10.7% 67.875 6.0% 10.7% 67.875 6.0% 10.7% 67.875 6.0% 10.7% 67.875 6.0% 10.7% 67.875 6.0% 10.7% 11.9% 10.7% 67.875 6.0% 10.7% 10.412 10.039 10.7% 10.412 10.039 10.442 10.0% 10.0412 10.039 10.042 10.043 1								3		
Obstetrics & Gynecology         OBG01         64,033         70,893         10.7%         67,875         6.0%         2           Occupational Medicine         OCM01         4,967         5,169         4.1%         5,265         6.0%         1           Ophthalmology (No Sur)         OPH01         4,967         5,251         5,7%         5,265         6.0%           Ophthalmology (Min Sur)         OPH03         15,480         15,508         0.2%         16,409         6.0%           Ophthalmology (Maj Sur)         OPH03         15,480         15,508         0.2%         16,409         6.0%           Optometry         OPT01         1,305         1,559         19,5%         1,384         6.1%           Orthopedic Surgery (mo Spinal)         ORT01         41,150         43,570         5.9%         43,619         6.0%         2           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Orthopedic Surgery (with Spinal)         0RT02         30,498         51,693         2.4%								6		
Occupational Medicine         OCM01         4,967         5,169         4.1%         5,265         6.0%           Ophthalmology (No Sur)         OPH01         4,967         5,251         5.7%         5,265         6.0%           Ophthalmology (Min Sur)         OPH02         9,851         10,339         4.9%         10,442         6.0%           Ophthalmology (Maj Sur)         OPH03         15,480         15,508         0.2%         16,409         6.0%           Optometry         OPT01         1,305         1,559         19,5%         1,384         6.1%           Orthopedic Surgery (with Spinal)         ORT01         41,150         43,570         5.9%         43,619         6.0%         1           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Otolaryngology (Maj, Facial)         OT001         19,122         30,195         57,9%         20,269         6.0%           Pain Management - Anesthesia         APM01         16,797         22,707         61.2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0% </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>4</td>								4		
Ophthalmology (No Sur)         OPH01         4,967         5,251         5,7%         5,265         6,0%           Ophthalmology (Min Sur)         OPH02         9,851         10,339         4,9%         10,442         6,0%           Opthalmology (Mai) Sur)         OPH03         15,480         15,508         0.2%         16,409         6,0%           Optometry         OPT01         1,305         1,559         19,5%         1,384         6,1%           Orthopedic Surgery (with Spinal)         ORT01         41,150         43,770         5,9%         43,619         6,0%         3           Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57,9%         20,269         6,0%         1           Otolaryngology (Maj, Racial)         OTO02         30,131         34,462         14,4%         31,939         6,0%           Paim Management - Anesthesia         APM01         16,797         27,077         61,2%         17,805         6,0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6,0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33,1%         18,293								21		
Ophthalmology (Min Sur)         OPH02         9,851         10,339         4.9%         10,442         6.0%           Ophthalmology (Maj Sur)         OPH03         15,480         15,508         0.2%         16,409         6.0%           Orthopedic Surgery (Maj Sur)         OPT01         1,305         1,559         19,5%         1,384         6.1%           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57,9%         20,269         6.0%         1           Otolaryngology (Maj, Facial)         OTO02         30,131         34,462         14,4%         31,939         6.0%           Paim Management - Anesthesia         APM01         16,797         27,077         61,2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33,1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31,6%         11,636 <td>•</td> <td></td> <td>,</td> <td></td> <td></td> <td></td> <td></td> <td>10</td>	•		,					10		
Ophthalmology (Maj Sur)         OPH03         15,480         15,508         0.2%         16,409         6.0%           Optometry         OPT01         1,305         1,559         19,5%         1,384         6.1%           Orthopedic Surgery (no Spinal)         ORT01         41,150         43,570         5.9%         43,619         6.0%         3           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57,9%         20,269         6.0%         1           Pain Management - Anesthesia         APM01         16,797         27,077         61,2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33,1%         18,293         6.0%           Physical Medicine & Rehab (Non-Invasive)         PAT01         10,977         14,441         31,6%         11,636         6.0%           Physiciarly Scienciar Sasistant         PHA01         1,573         1,871								0		
Optometry         OPT01         1,305         1,559         19.5%         1,384         6.1%           Orthopedic Surgery (no Spinal)         ORT01         41,150         43,570         5.9%         43,619         6.0%         3           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57.9%         20,269         6.0%         1           Pain Management - Anesthesia         APM01         16,797         27,077         61.2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33,1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31,6%         11,636         6.0%           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physical Medicine & Rehab (Non-Invasive)         PMR01         19,973         11,811								5		
Orthopedic Surgery (no Spinal)         ORT01         41,150         43,570         5.9%         43,619         6.0%           Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57,9%         20,269         6.0%         1           Otolaryngology (Maj, Facial)         OTO02         30,131         34,462         14.4%         31,939         6.0%           Pain Management - Anesthesia         APM01         16,797         27,077         61.2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0%           Pathology         PAT01         10,977         14,441         31,6%         11,636         6.0%           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%	=							10		
Orthopedic Surgery (with Spinal)         ORT02         50,498         51,693         2.4%         53,528         6.0%         1           Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57.9%         20,269         6.0%         1           Pain Management - Anesthesia         APM01         16,797         27,077         61.2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19.6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33.1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31,6%         11,636         6.0%           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physical Surgery         PLA01         1,573         1,871         18.9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0% </td <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>0</td>								0		
Otolaryngology (Maj, No Facial)         OTO01         19,122         30,195         57,9%         20,269         6.0%           Otolaryngology (Maj, Facial)         OTO02         30,131         34,462         14,4%         31,939         6.0%           Pain Management - Anesthesia         APM01         16,797         27,077         61,2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33,1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31,6%         11,636         6.0%           Pediatrics         PED01         13,615         15,385         13,0%         14,432         6.0%         4           Physician's Assistant         PHA01         1,573         1,871         18,9%         1,667         6.0%           Physician's Assistant         PHA01         32,827         35,611         8.5%         34,797         6.0%           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%								32		
Otolaryngology (Maj, Facial)         OTO02         30,131         34,462         14.4%         31,939         6.0%           Pain Management - Anesthesia         APM01         16,797         27,077         61.2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19.6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33.1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31.6%         11,636         6.0%           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%         4           Physical Sasistant         PHA01         1,573         1,871         18,9%         1,667         6.0%         1           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%         2         2         6.0%         2         3,4797         6.0%         2         6.0%         2								17		
Pain Management - Anesthesia         APM01         16,797         27,077         61.2%         17,805         6.0%           Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19.6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33.1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31.6%         11,636         6.0%         1           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%         6.0%           Physical Medicine & Rehab (Non-Invasive)         PMR01         1,573         1,871         18.9%         1,667         6.0%         1         6.0%         2         1,667								10		
Physical Medicine & Rehab (Minor Proc)         PMR02         10,976         13,128         19,6%         11,635         6.0%           Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33.1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31.6%         11,636         6.0%         1           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physician's Assistant         PHA01         1,573         1,871         18,9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46.9%         7,698         6.0%           Psychiatry         PSY01         6,333         6,564         3.7%         6,713         6.0%								7		
Physical Medicine & Rehab (Major Proc)         PMR03         17,258         22,975         33.1%         18,293         6.0%           Pathology         PAT01         10,977         14,441         31.6%         11,636         6.0%         1           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physician's Assistant         PHA01         1,573         1,871         18,9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%           Podiatry (Minor Surgery)         POD01         3,158         4,923         55.9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46.9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56.9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3,7%         6,713         6.0%           Pulmonary	Č			,		,				
Pathology         PAT01         10,977         14,441         31.6%         11,636         6.0%         1           Pediatrics         PED01         13,615         15,385         13.0%         14,432         6.0%         4           Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physical Nedicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physical Nedicine & Rehab (Non-Invasive)         PHA01         1,573         1,871         18.9%         1,667         6.0%           Physical Nedicine & Sussistant         PHA01         1,573         1,871         18.9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%           Podiatry (Major Surgery)         POD02         7,262         10,667         46.9%         7,698         6.0%           Psychiatry         PSY01         6,333         6,564         3.7%         6,713         6.0%								5		
Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physician's Assistant         PHA01         1,573         1,871         18.9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%         2           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46,9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56,9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3,7%         6,713         6.0%           Pulmonary Medicine         PUL01         19,015         19,693         3,6%         20,156         6.0%           Surgeon's Assistant         SRA01         1,573         1,871         18,9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5,9%         23,325         6.0%           Thoracic Surgery										
Physical Medicine & Rehab (Non-Invasive)         PMR01         9,934         10,257         3.2%         10,530         6.0%           Physician's Assistant         PHA01         1,573         1,871         18.9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%         2           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46,9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56,9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3,7%         6,713         6.0%           Pulmonary Medicine         PUL01         19,015         19,693         3,6%         20,156         6.0%           Surgeon's Assistant         SRA01         1,573         1,871         18,9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5,9%         23,325         6.0%           Thoracic Surgery						·		19 49		
Physician's Assistant         PHA01         1,573         1,871         18.9%         1,667         6.0%           Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%         2           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46,9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56,9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3,7%         6,713         6.0%           Pulmonary Medicine         PUL01         19,015         19,693         3,6%         20,156         6.0%           Surgeon's Assistant         SRA01         1,573         1,871         18,9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5,9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%           Thoracic Surgery         THO01								1		
Plastic Surgery         PLA01         32,827         35,611         8.5%         34,797         6.0%         22           Podiatry (Minor Surgery)         POD01         3,158         4,923         55,9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46,9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56,9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3,7%         6,713         6.0%         2           Pulmonary Medicine         PUL01         19,015         19,693         3,6%         20,156         6.0%         1           Surgeon's Assistant         SRA01         1,573         1,871         18,9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Ur	· ·							7		
Podiatry (Minor Surgery)         POD01         3,158         4,923         55.9%         3,347         6.0%           Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46.9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56.9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3.7%         6,713         6.0%         2           Pulmonary Medicine         PUL01         19,015         19,693         3.6%         20,156         6.0%         1           Surgeon's Assistant         SRA01         1,573         1,871         18.9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%         1           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								21		
Podiatry (Intermediate Surgery)         POD02         7,262         10,667         46.9%         7,698         6.0%           Podiatry (Major Surgery)         POD03         8,367         13,128         56.9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3.7%         6,713         6.0%         2           Pulmonary Medicine         PUL01         19,015         19,693         3.6%         20,156         6.0%         1           Surgeon's Assistant         SRA01         1,573         1,871         18.9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%										
Podiatry (Major Surgery)         POD03         8,367         13,128         56.9%         8,869         6.0%           Psychiatry         PSY01         6,333         6,564         3.7%         6,713         6.0%         2           Pulmonary Medicine         PUL01         19,015         19,693         3.6%         20,156         6.0%         1           Surgeon's Assistant         SRA01         1,573         1,871         18,9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5,9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								1 2		
Psychiatry         PSY01         6,333         6,564         3.7%         6,713         6.0%         2           Pulmonary Medicine         PUL01         19,015         19,693         3.6%         20,156         6.0%         1           Surgeon's Assistant         SRA01         1,573         1,871         18.9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%         1           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								2		
Pulmonary Medicine         PUL01         19,015         19,693         3.6%         20,156         6.0%         1           Surgeon's Assistant         SRA01         1,573         1,871         18.9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%         1           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								28		
Surgeon's Assistant         SRA01         1,573         1,871         18.9%         1,667         6.0%           Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%         1           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								15		
Surgical Specialty (Office,Min)         SUR01         22,005         23,303         5.9%         23,325         6.0%           Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%         1           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								0		
Therapeutic Radiology         THE01         16,226         10,380         -36.0%         17,200         6.0%         1           Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								7		
Thoracic Surgery         THO01         44,612         60,309         35.2%         47,289         6.0%           Urology         URO01         24,526         27,077         10.4%         25,998         6.0%								12		
Urology URO01 24,526 27,077 10.4% 25,998 6.0%								3		
								6		
101AL 1,02		CKOUI	24,320	21,011	10.4%	23,770	0.0%			
	TOTAL							1,024		

\$17,212

\$19,948

15.9%

\$18,245

6.0%

Weighted Average

#### The Doctors Company California

Indicated and Proposed Rates by Specialty: \$1M/\$3M Limits, Fully Mature, Full-Time Physicians

TERRITORY B - Kern, Los Angeles, Orange, and Ventura counties

	TDC	THE DOCTORS COMPANY  IDC MANUAL PREMIUM					
SPECIALTY	SPEC		TVETE	%	,1	%	TDC
	CODE	CURRENT	INDICATED	CHANGE	PROPOSED	CHANGE	3/11
Administrative Medicine	ADM01	6,478	3,230	-50.1%	6,348	-2.0%	20
Allergy/Immunology Anesthesiology	ALI01 ANE01	5,603 12,128	3,499 11,844	-37.5% -2.3%	5,491 11,885	-2.0% -2.0%	51 722
Nurse Anesthetist (Spvs By Ane)	ANE01 ANE02	1,819	1,777	-2.3%	1,783	-2.0%	722
Nurse Anesthetist (Spvs By Sur)	ANE03	3,275	3,198	-2.4%	3,209	-2.0%	1
Cardiology (Invasive)	CAR01	15,458	16,689	8.0%	15,149	-2.0%	310
Chiropractor	CRP01	1,696	1,615	-4.8%	1,662	-2.0%	51
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	4,333	4,048	-6.6%	4,246	-2.0%	2
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	8,716	8,140	-6.6%	8,541	-2.0%	1
Colon&Rectal Surg(Min/Ltd)	CRS01	27,154	21,534	-20.7%	26,611	-2.0%	3
Dental (Local anes and nitrous ox only)	DEN01	2,261	2,153	-4.8%	2,216	-2.0%	237
Dental (Sedation) Oral Surgeons	DEN02 DEN03	4,522 13,567	4,307 12,920	-4.8% -4.8%	4,432 13,296	-2.0% -2.0%	88
Dental Anesthesiologists	DEN03 DEN04	15,828	15,074	-4.8%	15,511	-2.0%	00
Dermatology	DER01	6,784	5,922	-12.7%	6,648	-2.0%	333
Dermatology W/ Liposuction	DER02	25,075	23,687	-5.5%	24,574	-2.0%	31
Diagnostic Radiology	DIA01	16,227	16,689	2.8%	15,902	-2.0%	301
Emergency Medicine	EMM01	23,742	20,457	-13.8%	23,267	-2.0%	33
FGP (No Surg-Hospital Care)	FGP01	9,158	8,183	-10.6%	8,975	-2.0%	120
FGP (Minor Surgery-No Ob)	FGP02	12,128	12,705	4.8%	11,885	-2.0%	848
FGP (Rest Maj Surg-No Ob)	FGP04	16,394	15,612	-4.8%	16,066	-2.0%	4
FGP (With Obstetrics)	FGP06	32,596	19,897	-39.0%	31,944	-2.0%	17
Gastroenterology	GAS01	13,342	12,274	-8.0%	13,075	-2.0%	267
General Medicine (Restricted)	GEM01 GES01	7,914	7,537 39,891	-4.8%	7,756 40,940	-2.0% -2.0%	122
General Surgery General Surgery (Bariatric)	GES01	41,775 47,595	53,834	-4.5% 13.1%	46,643	-2.0% -2.0%	133
Gynecology (Major Surgery)	GYN01	23,742	23,687	-0.2%	23,267	-2.0%	37
Gynecology (w/ In-vitro Fertilization)	GYN02	35,614	33,431	-6.1%	34,902	-2.0%	33
Hand & Foot Surgery	HAF01	24,732	13,566	-45.1%	24,237	-2.0%	11
Internal Med	INT01	10,343	10,767	4.1%	10,136	-2.0%	1,253
Internal Medicine Subs - NS	INTSB	9,807	8,614	-12.2%	9,611	-2.0%	456
Neonatology	NEO01	15,828	15,074	-4.8%	15,511	-2.0%	39
Neurology	NEU01	16,122	15,935	-1.2%	15,800	-2.0%	129
Neurosurgery	NSU01	68,380	67,831	-0.8%	67,012	-2.0%	56
Nuclear Medicine Nurse Practitioner	NUC01 NUR01	6,194 1,374	5,034 1,227	-18.7% -10.7%	6,070 1,346	-2.0% -2.0%	23 27
Obstetrics & Gynecology	OBG01	49,804	46,513	-6.6%	48,808	-2.0%	239
Occupational Medicine	OCM01	4,837	3,392	-29.9%	4,740	-2.0%	56
Ophthalmology (No Sur)	OPH01	6,541	3,445	-47.3%	6,410	-2.0%	9
Ophthalmology (Min Sur)	OPH02	7,349	6,783	-7.7%	7,202	-2.0%	85
Ophthalmology (Maj Sur)	OPH03	15,187	10,175	-33.0%	14,883	-2.0%	78
Optometry	OPT01	983	1,023	4.1%	963	-2.0%	24
Orthopedic Surgery (no Spinal)	ORT01	34,021	28,586	-16.0%	33,341	-2.0%	133
Orthopedic Surgery (with Spinal)	ORT02	34,483	33,916	-1.6%	33,793	-2.0%	89
Otolaryngology (Maj, No Facial)	OTO01	13,789	19,811	43.7%	13,513	-2.0%	60
Otolaryngology (Maj, Facial) Pain Management - Anesthesia	OTO02 APM01	24,891 12,128	22,610 17,765	-9.2% 46.5%	24,393 11,885	-2.0% -2.0%	62 29
Physical Medicine & Rehab (Minor Proc)	PMR02	7,979	8,614	8.0%	7,819	-2.0%	
Physical Medicine & Rehab (Major Proc)	PMR03	13,904	15,074	8.4%	13,626	-2.0%	17
Pathology	PAT01	10,343	9,475	-8.4%	10,136	-2.0%	221
Pediatrics	PED01	12,245	10,094	-17.6%	12,000	-2.0%	366
Physical Medicine & Rehab (Non-Invasive)	PMR01	6,622	6,729	1.6%	6,490	-2.0%	13
Physician's Assistant	PHA01	1,374	1,227	-10.7%	1,346	-2.0%	70
Plastic Surgery	PLA01	29,738	23,364	-21.4%	29,143	-2.0%	251
Podiatry (Minor Surgery)	POD01	3,307	3,230	-2.3%	3,241	-2.0%	13
Podiatry (Intermediate Surgery)	POD02	7,262	6,998	-3.6%	7,117	-2.0%	15
Podiatry (Major Surgery)	POD03	8,767	8,614	-1.8%	8,592	-2.0%	27
Psychiatry Pulmonary Medicine	PSY01 PUL01	6,741 14,789	4,307	-36.1%	6,606 14,493	-2.0% -2.0%	442 143
Surgeon's Assistant	SRA01	1,374	12,920 1,227	-12.6% -10.7%	1,346	-2.0% -2.0%	143
Surgical Specialty (Office,Min)	SUR01	16,054	15,289	-4.8%	15,733	-2.0% -2.0%	73
Therapeutic Radiology	THE01	14,369	6,810	-52.6%	14,082	-2.0%	63
Thoracic Surgery	THO01	39,571	39,568	0.0%	38,780	-2.0%	
Urology	URO01	19,075	17,765	-6.9%	18,694	-2.0%	96
TOTAL							8,454
							-

\$14,645

Weighted Average

-5.8%

\$13,796

\$14,352

-2.0%

0.0%

\$13,028

#### **The Doctors Company** California

 $Indicated\ and\ Proposed\ Rates\ by\ Specialty:\ \$1M/\$3M\ Limits,\ Fully\ Mature,\ Full-Time\ Physicians$ 

TERRITORY C - Imperial and San Diego counties

	TDC							
SPECIALTY	SPEC CODE	CURRENT	INDICATED	% CHANGE	PROPOSED	% CHANGE	TDC 3/11	
Administrative Medicine	ADM01	3,330	3,113	-6.5%	3,330	0.0%	4	
Allergy/Immunology	ALI01	3,931	3,372	-14.2%	3,931	0.0%	14	
Anesthesiology	ANE01	10,472	11,413	9.0%	10,472	0.0%	42	
Nurse Anesthetist (Spvs By Ane)	ANE02	1,571	1,712	9.0%	1,571	0.0%	C	
Nurse Anesthetist (Spvs By Sur)	ANE03	2,827	3,082	9.0%	2,827	0.0%	0	
Cardiology (Invasive)	CAR01	13,408	16,082	19.9%	13,408	0.0%	106	
Chiropractor	CRP01	1,459	1,556	6.7%	1,459	0.0%	12	
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	3,578	3,901	9.0%	3,578	0.0%	4	
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	7,197	7,844	9.0%	7,197	0.0%	C	
Colon&Rectal Surg(Min/Ltd)	CRS01	19,041	20,751	9.0%	19,041	0.0%	l	
Dental (Local anes and nitrous ox only) Dental (Sedation)	DEN01	1,904	2,075	9.0%	1,904	0.0%	59	
	DEN02	3,808	4,150	9.0%	3,808	0.0%	`	
Oral Surgeons	DEN03 DEN04	11,424	12,451	9.0%	11,424	0.0% 0.0%	27	
Dental Anesthesiologists Dermatology	DER01	13,328 5,712	14,526 5,707	9.0% -0.1%	13,328 5,712	0.0%	95	
Dermatology W/ Liposuction	DER01 DER02	21,897	22,826	4.2%	21,897	0.0%	13	
Diagnostic Radiology	DIA01	13,880	16,082	15.9%	13,880	0.0%	97	
Emergency Medicine	EMM01	19,993	19,713	-1.4%	19,993	0.0%	19	
FGP (No Surg-Hospital Care)	FGP01	7,447	7,885	5.9%	7,447	0.0%	32	
FGP (Minor Surgery-No Ob)	FGP02	10,513	12,243	16.5%	10,513	0.0%	280	
FGP (Rest Maj Surg-No Ob)	FGP04	13,804	15,044	9.0%	13,804	0.0%	5	
FGP (With Obstetrics)	FGP06	18,850	19,174	1.7%	18,850	0.0%	1	
Gastroenterology	GAS01	10,853	11,828	9.0%	10,853	0.0%	78	
General Medicine (Restricted)	GEM01	6,143	7,263	18.2%	6,143	0.0%	3	
General Surgery	GES01	35,273	38,441	9.0%	35,273	0.0%	49	
General Surgery (Bariatric)	GES02	37,676	51,877	37.7%	37,676	0.0%	5	
Gynecology (Major Surgery)	GYN01	18,908	22,826	20.7%	18,908	0.0%	15	
Gynecology (w/ In-vitro Fertilization)	GYN02	29,989	32,216	7.4%	29,989	0.0%	4	
Hand & Foot Surgery	HAF01	17,667	13,073	-26.0%	17,667	0.0%	1	
Internal Med	INT01	9,730	10,375	6.6%	9,730	0.0%	435	
Internal Medicine Subs - NS	INTSB	8,307	8,300	-0.1%	8,307	0.0%	106	
Neonatology	NEO01	13,328	14,526	9.0%	13,328	0.0%	C	
Neurology	NEU01	12,654	15,356	21.4%	12,654	0.0%	55	
Neurosurgery	NSU01	55,364	65,366	18.1%	55,364	0.0%	15	
Nuclear Medicine	NUC01	5,588	4,851	-13.2%	5,588	0.0%	2	
Nurse Practitioner	NUR01	1,117	1,183	5.9%	1,117	0.0%	9	
Obstetrics & Gynecology	OBG01	41,128	44,822	9.0%	41,128	0.0%	97	
Occupational Medicine	OCM01	3,135	3,268	4.3%	3,135	0.0%	27	
Ophthalmology (No Sur)	OPH01	4,853	3,320	-31.6%	4,853	0.0%	15	
Ophthalmology (Min Sur)	OPH02	6,165	6,537	6.0%	6,165	0.0%	17	
Ophthalmology (Maj Sur)	OPH03	10,963	9,805	-10.6%	10,963	0.0% 0.0%	26	
Optometry Opthogodic Surgery (no Spinol)	OPT01 ORT01	924 28,342	986	6.7% -2.8%	924 28.342	0.0%	16	
Orthopedic Surgery (no Spinal)	ORT01	29,037	27,547 32,683	12.6%	29,037	0.0%	62 25	
Orthopedic Surgery (with Spinal) Otolaryngology (Maj, No Facial)	OT 102	29,037 14,876	32,083 19,091	28.3%	29,037 14,876	0.0%	11	
Otolaryngology (Maj, No Facial) Otolaryngology (Maj, Facial)	OTO01	19,468	21,789	11.9%	19,468	0.0%	21	
Pain Management - Anesthesia	APM01	10,952	17,120	56.3%	10,952	0.0%		
Physical Medicine & Rehab (Minor Proc)	PMR02	7,616	8,300	9.0%	7,616	0.0%		
Physical Medicine & Rehab (Major Proc)	PMR03	10,788	14,526	34.6%	10,788	0.0%	6	
Pathology	PAT01	8,759	9,130	4.2%	8,759	0.0%	103	
Pediatrics	PED01	9,179	9,727	6.0%	9,179	0.0%	119	
Physical Medicine & Rehab (Non-Invasive)	PMR01	5,136	6,485	26.3%	5,136	0.0%	5	
Physician's Assistant	PHA01	1,117	1,183	5.9%	1,117	0.0%	5	
Plastic Surgery	PLA01	23,641	22,515	-4.8%	23,641	0.0%	66	
Podiatry (Minor Surgery)	POD01	2,511	3,113	24.0%	2,511	0.0%	8	
Podiatry (Intermediate Surgery)	POD02	5,772	6,744	16.8%	5,772	0.0%	4	
Podiatry (Major Surgery)	POD03	6,658	8,300	24.7%	6,658	0.0%	5	
Psychiatry	PSY01	4,712	4,150	-11.9%	4,712	0.0%	102	
Pulmonary Medicine	PUL01	12,010	12,451	3.7%	12,010	0.0%	60	
Surgeon's Assistant	SRA01	1,117	1,183	5.9%	1,117	0.0%	C	
Surgical Specialty (Office,Min)	SUR01	11,946	14,733	23.3%	11,946	0.0%	15	
Therapeutic Radiology	THE01	12,010	6,563	-45.4%	12,010	0.0%	24	
Thoracic Surgery	THO01	32,123	38,130	18.7%	32,123	0.0%	25	
Urology	URO01	14,947	17,120	14.5%	14,947	0.0%	22	
TOTAL							2,474	

\$13,028

Weighted Average

\$14,116

#### The Doctors Company California

 $Indicated\ and\ Proposed\ Rates\ by\ Specialty: \$1M/\$3M\ Limits, Fully\ Mature, Full-Time\ Physicians$ 

TERRITORY D - Alameda, Contra Costa, Madera, Mariposa, Merced, Monterey, San Benito, San Francisco, San Luis Obispo, San Mateo, Santa Clara, and Santa Cruz counties

	TTD C	THE DOCTORS COMPANY  MANUAL PREMIUM							
SPECIALTY	TDC SPEC		MAN	%	1	%	TDC		
SI Lembi I	CODE	CURRENT	INDICATED	CHANGE	PROPOSED	CHANGE	3/11		
Administrative Medicine	ADM01	3,587	1,805	-49.7%	3,264	-9.0%	7		
Allergy/Immunology	ALI01	3,014	1,956	-35.1%	2,743	-9.0%	17		
Anesthesiology	ANE01	7,044	6,620	-6.0%	6,410	-9.0%	237		
Nurse Anesthetist (Spvs By Ane) Nurse Anesthetist (Spvs By Sur)	ANE02 ANE03	1,057 1,902	993 1,787	-6.1% -6.0%	962 1,731	-9.0% -9.0%	0		
Cardiology (Invasive)	CAR01	9,459	9,328	-1.4%	8,608	-9.0% -9.0%	14		
Chiropractor	CRP01	1,017	903	-11.2%	925	-9.0%	23		
CNM (Add'l Nmd Ins-Dir Spvs)	CNM01	2,578	2,263	-12.2%	2,346	-9.0%	8		
CNM (Add'l Nmd Ins-Indir Spvs)	CNM02	5,186	4,550	-12.3%	4,719	-9.0%	1		
Colon&Rectal Surg(Min/Ltd)	CRS01	12,612	12,036	-4.6%	11,477	-9.0%	2		
Dental (Local anes and nitrous ox only)	DEN01	1,261	1,204	-4.5%	1,148	-9.0%	206		
Dental (Sedation)	DEN02	2,522	2,407	-4.5%	2,295	-9.0%	0		
Oral Surgeons	DEN03	10,050	7,222	-28.1%	9,146	-9.0%	82 0		
Dental Anesthesiologists Dermatology	DEN04 DER01	8,829 4,343	8,425 3,310	-4.6% -23.8%	8,034 3,952	-9.0% -9.0%	47		
Dermatology Dermatology W/ Liposuction	DER02	14,504	13,240	-8.7%	13,199	-9.0% -9.0%	9		
Diagnostic Radiology	DIA01	9,270	9,328	0.6%	8,436	-9.0%	15		
Emergency Medicine	EMM01	13,243	11,434	-13.7%	12,051	-9.0%	24		
FGP (No Surg-Hospital Care)	FGP01	5,570	4,574	-17.9%	5,069	-9.0%	59		
FGP (Minor Surgery-No Ob)	FGP02	7,263	7,101	-2.2%	6,609	-9.0%	115		
FGP (Rest Maj Surg-No Ob)	FGP04	11,185	8,726	-22.0%	10,178	-9.0%	1		
FGP (With Obstetrics)	FGP06	13,741	11,122	-19.1%	12,504	-9.0%	19		
Gastroenterology	GAS01	7,502	6,861	-8.5%	6,827	-9.0%	33		
General Medicine (Restricted)	GEM01	4,414	4,213	-4.6%	4,017	-9.0%	1		
General Surgery	GES01	23,365	22,297	-4.6%	21,262	-9.0%	59		
General Surgery (Bariatric) Gynecology (Major Surgery)	GES02 GYN01	25,586 13,759	30,091 13,240	17.6% -3.8%	23,283 12,521	-9.0% -9.0%	5 9		
Gynecology (w/ In-vitro Fertilization)	GYN02	19,865	18,686	-5.9%	18,077	-9.0% -9.0%	1		
Hand & Foot Surgery	HAF01	14,324	7,583	-47.1%	13,035	-9.0%	13		
Internal Med	INT01	6,782	6,018	-11.3%	6,172	-9.0%	279		
Internal Medicine Subs - NS	INTSB	5,769	4,815	-16.5%	5,250	-9.0%	121		
Neonatology	NEO01	8,829	8,425	-4.6%	8,034	-9.0%	2		
Neurology	NEU01	9,175	8,907	-2.9%	8,349	-9.0%	26		
Neurosurgery	NSU01	39,729	37,914	-4.6%	36,153	-9.0%	21		
Nuclear Medicine	NUC01	4,228	2,813	-33.5%	3,847	-9.0%	3		
Nurse Practitioner	NUR01	836	686	-17.9%	760	-9.1%			
Obstetrics & Gynecology Occupational Medicine	OBG01 OCM01	29,635 2,465	25,998 1,896	-12.3% -23.1%	26,968 2,243	-9.0% -9.0%	76 31		
Ophthalmology (No Sur)	OPH01	2,684	1,926	-28.2%	2,442	-9.0% -9.0%	31		
Ophthalmology (Min Sur)	OPH02	4,659	3,791	-18.6%	4,240	-9.0%	14		
Ophthalmology (Maj Sur)	OPH03	6,614	5,687	-14.0%	6,019	-9.0%	59		
Optometry	OPT01	644	572	-11.2%	586	-9.0%	5		
Orthopedic Surgery (no Spinal)	ORT01	20,141	15,978	-20.7%	18,328	-9.0%	131		
Orthopedic Surgery (with Spinal)	ORT02	21,127	18,957	-10.3%	19,226	-9.0%	23		
Otolaryngology (Maj, No Facial)	OTO01	11,099	11,073	-0.2%	10,100	-9.0%	18		
Otolaryngology (Maj, Facial)	OTO02	15,499	12,638	-18.5%	14,104	-9.0%	26		
Pain Management - Anesthesia Physical Medicine & Rehab (Minor Proc)	APM01 PMP02	7,739 5,270	9,930 4,815	28.3%	7,042 4 796	-9.0% -9.0%	17 19		
Physical Medicine & Rehab (Minor Proc) Physical Medicine & Rehab (Major Proc)	PMR02 PMR03	5,270 8,387	4,815 8,425	-8.6% 0.5%	4,796 7,632	-9.0% -9.0%	20		
Pathology	PAT01	5,802	5,296	-8.7%	5,280	-9.0%			
Pediatrics	PED01	6,395	5,642	-11.8%	5,819	-9.0%	43 132		
Physical Medicine & Rehab (Non-Invasive)	PMR01	3,784	3,761	-0.6%	3,443	-9.0%	8		
Physician's Assistant	PHA01	836	686	-17.9%	760	-9.1%	6		
Plastic Surgery	PLA01	20,697	13,059	-36.9%	18,834	-9.0%	91		
Podiatry (Minor Surgery)	POD01	2,066	1,805	-12.6%	1,880	-9.0%	17		
Podiatry (Intermediate Surgery)	POD02	5,094	3,912	-23.2%	4,636	-9.0%	15		
Podiatry (Major Surgery)	POD03	5,094	4,815	-5.5%	4,636	-9.0%	41		
Psychiatry Pulmonom Modicine	PSY01	3,587	2,407	-32.9%	3,264	-9.0%	95		
Pulmonary Medicine Surgeon's Assistant	PUL01 SRA01	8,351 836	7,222 686	-13.5% -17.9%	7,599 760	-9.0% -9.1%	42		
Surgical Specialty (Office,Min)	SUR01	8,955	8,546	-17.9% -4.6%	8,149	-9.1% -9.0%	39		
Therapeutic Radiology	THE01	8,998	3,806	-57.7%	8,188	-9.0% -9.0%	39		
Thoracic Surgery	THO01	22,072	22,117	0.2%	20,086	-9.0%	15		
= -		II	9,930	-1.4%	9,169	-9.0%	23		
Urology	URO01	10,076	9,930	-1.4 /0	9,109	-9.0%	23		

\$9,267

\$7,973

-14.0%

\$8,433

-9.0%

Weighted Average

#### The Doctors Company California

 $Indicated\ and\ Proposed\ Rates\ by\ Specialty:\ \$1M/\$3M\ Limits,\ Fully\ Mature,\ Full-Time\ Physicians$ 

TERRITORY E - Remainder of State

	TDC	THE DOCTORS COMPANY  MANUAL PREMIUM						
SPECIALTY	SPEC			%		%	TDC	
Administrative Medicine	ADM01	CURRENT 3,587	INDICATED 2,522	-29.7%	PROPOSED 3,587	CHANGE 0.0%	3/11	
Allergy/Immunology	ALI01	3,587	2,732	-23.8%	3,587	0.0%	10	
Anesthesiology	ANE01	9,057	9,247	2.1%	9,057	0.0%	326	
Nurse Anesthetist (Spvs By Ane)	ANE02	1,359	1,387	2.1%	1,359	0.0%	1	
Nurse Anesthetist (Spvs By Sur)	ANE03	2,445	2,497	2.1%	2,445	0.0%	1	
Cardiology (Invasive)	CAR01	11,832	13,029	10.1%	11,832	0.0%	36	
Chiropractor CNM (Add'l Nmd Ins-Dir Spvs)	CRP01 CNM01	1,168 3,014	1,261 3,161	8.0% 4.9%	1,168 3,014	0.0% 0.0%	12 1	
CNM (Add I Nilid Ilis-Dir Spvs) CNM (Add'l Nmd Ins-Indir Spvs)	CNM01 CNM02	6,063	6,355	4.8%	6,063	0.0%	2	
Colon&Rectal Surg(Min/Ltd)	CRS01	17,651	16,812	-4.8%	17,651	0.0%	8	
Dental (Local anes and nitrous ox only)	DEN01	1,558	1,681	7.9%	1,558	0.0%	177	
Dental (Sedation)	DEN02	3,530	3,362	-4.7%	3,530	0.0%	0	
Oral Surgeons	DEN03	10,591	10,087	-4.8%	10,591	0.0%	62	
Dental Anesthesiologists	DEN04	12,356	11,769	-4.8%	12,356	0.0%	0	
Dermatology	DER01	5,295	4,623	-12.7%	5,295	0.0%	45 2	
Dermatology W/ Liposuction Diagnostic Radiology	DER02 DIA01	16,480 10,591	18,493 13,029	12.2% 23.0%	16,480 10,591	0.0% 0.0%	73	
Emergency Medicine	EMM01	18,534	15,972	-13.8%	18,534	0.0%	35	
FGP (No Surg-Hospital Care)	FGP01	6,217	6,389	2.8%	6,217	0.0%	55	
FGP (Minor Surgery-No Ob)	FGP02	8,451	9,919	17.4%	8,451	0.0%	292	
FGP (Rest Maj Surg-No Ob)	FGP04	12,681	12,189	-3.9%	12,681	0.0%	4	
FGP (With Obstetrics)	FGP06	17,136	15,534	-9.3%	17,136	0.0%	15	
Gastroenterology	GAS01	9,646	9,583	-0.7%	9,646	0.0%	35	
General Medicine (Restricted) General Surgery	GEM01 GES01	6,178 28,498	5,884 31,145	-4.8% 9.3%	6,178 28,498	0.0% 0.0%	1	
General Surgery (Bariatric)	GES02	29,287	42,030	43.5%	29,287	0.0%	63	
Gynecology (Major Surgery)	GYN01	15,766	18,493	17.3%	15,766	0.0%	19	
Gynecology (w/ In-vitro Fertilization)	GYN02	27,801	26,101	-6.1%	27,801	0.0%	0	
Hand & Foot Surgery	HAF01	13,263	10,592	-20.1%	13,263	0.0%	14	
Internal Med	INT01	7,790	8,406	7.9%	7,790	0.0%	333	
Internal Medicine Subs - NS	INTSB	6,622	6,725	1.6%	6,622	0.0%	84	
Neonatology	NEO01 NEU01	12,356 10,701	11,769 12,441	-4.8% 16.3%	12,356 10,701	0.0% 0.0%	10 30	
Neurology Neurosurgery	NSU01	43,733	52,958	21.1%	43,733	0.0%	12	
Nuclear Medicine	NUC01	4,962	3,930	-20.8%	4,962	0.0%	3	
Nurse Practitioner	NUR01	933	958	2.7%	933	0.0%	1	
Obstetrics & Gynecology	OBG01	34,644	36,314	4.8%	34,644	0.0%	67	
Occupational Medicine	OCM01	2,648	2,648	0.0%	2,648	0.0%	30	
Ophthalmology (No Sur)	OPH01	2,648	2,690	1.6%	2,648	0.0%	2	
Ophthalmology (Min Sur)	OPH02 OPH03	5,411	5,296	-2.1%	5,411	0.0%	15 16	
Ophthalmology (Maj Sur) Optometry	OPT01	8,504 740	7,944 799	-6.6% 7.9%	8,504 740	0.0% 0.0%	4	
Orthopedic Surgery (no Spinal)	ORT01	23,432	22,318	-4.8%	23,432	0.0%	100	
Orthopedic Surgery (with Spinal)	ORT02	26,918	26,479	-1.6%	26,918	0.0%	20	
Otolaryngology (Maj, No Facial)	OTO01	11,173	15,467	38.4%	11,173	0.0%	15	
Otolaryngology (Maj, Facial)	OTO02	17,179	17,653	2.8%	17,179	0.0%	16	
Pain Management - Anesthesia	APM01	9,057	13,870	53.1%	9,057	0.0%	14	
Physical Medicine & Rehab (Minor Proc)	PMR02	6,505	6,725	3.4%	6,505	0.0%		
Physical Medicine & Rehab (Major Proc) Pathology	PMR03 PAT01	9,280 7,452	11,769 7,397	26.8% -0.7%	9,280 7,452	0.0% 0.0%		
Pediatrics	PED01	7,855	7,881	0.3%	7,432	0.0%	42 96	
Physical Medicine & Rehab (Non-Invasive)	PMR01	4,418	5,254	18.9%	4,418	0.0%	10	
Physician's Assistant	PHA01	933	958	2.7%	933	0.0%	6	
Plastic Surgery	PLA01	20,697	18,241	-11.9%	20,697	0.0%	58	
Podiatry (Minor Surgery)	POD01	2,216	2,522	13.8%	2,216	0.0%	5 15	
Podiatry (Intermediate Surgery)	POD02	5,094	5,464	7.3%	5,094	0.0%		
Podiatry (Major Surgery)	POD03	5,875	6,725	14.5%	5,875	0.0%	22	
Psychiatry Pulmonary Medicine	PSY01 PUL01	4,124 10,628	3,362 10,087	-18.5% -5.1%	4,124 10,628	0.0% 0.0%	103 20	
Surgeon's Assistant	SRA01	933	958	2.7%	933	0.0%		
Surgical Specialty (Office,Min)	SUR01	10,984	11,937	8.7%	10,984	0.0%	0 22	
Therapeutic Radiology	THE01	10,445	5,317	-49.1%	10,445	0.0%	31	
Thoracic Surgery	THO01	25,376	30,892	21.7%	25,376	0.0%		
Urology	URO01	12,849	13,870	7.9%	12,849	0.0%	22	
TOTAL							2,581	
			11.21	T	1112	ا	ī	
Weighted Average		\$10,565	\$11,027	4.4%	\$10,565	0.0%	]	

# The Doctors Company Evaluation of Claims-Free Discount (CFD) Change 2011 California Rate Review

Current Average Total Credit:

	Eligible ≥3 Yrs Tenure with TDC	Eligible <3 Yrs Tenure with TDC	<u>Ineligible</u>	<u>Total</u>
Insured Distribution:	63.6%	10.3%	26.1%	100.0%
Proposed Average CFD:	19.7%	8.8%	0.0%	13.4%
			Current Average CFD:	8.0%

Proposed Average Total Credit : 12.1% = 6.6% + 13.4% - 8.0%

6.6%

**Rate Impact :** -5.8% = (1 - 12.1%) / (1 - 6.6%) -1

# THE DOCTORS COMPANY 2009 SPECIALTY RELATIVITY ANALYSIS NATIONWIDE \$250k LIMIT - 1995-2006 (Evaluated at 12/31/2008)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
							IMITS RELAT							
	TDC Base	TDC	TDC	TDC	TDC	TDC	TDC	TDC	PIAA \$200k	PIAA	PIAA	Credibility	TDC	Caland
Specialty Not	Class/Terr e Exposure	Allocated Claims	Data Credibility	\$250k Limit Loss	\$250k Limit Pure Prem	2002 Relativity	2006 Relativity	Indicated Relativity	Limit Industry Relativity	Estimated Claims	Data Credibility	Weighted Relativity	Selected Relativity	Selected Change
specialty Not	e Exposure	Cialitis	Credibility	LOSS	ruie rieiii	Relativity	Relativity	Relativity	Relativity	Ciainis	Credibility	Relativity	Relativity	Change
			CODE(A)									$[(4) \times (9)] + [(12) \times (12)]$		
			SQRT((3) / 1083)		(5)/(2)			(6) / (6)INT01			SQRT((11) / 1083)	(10)] + [(1-(4)-(12)) x (8)]		(14) / (8) - 1.00
ADM01	287	11	10%	121,608	424	0.300	0.325	0.073	0.192	109	32%	0.257	0.300	-7.7%
ALI01	1,260	25	15%	1,410,449	1,119	0.365	0.350	0.192	0.228	235	47%	0.269	0.325	-7.1%
ANE01	25,980	2,543	100%	146,060,039	5,622	0.995	1.000	0.966	1.026	9,454	100%	0.966	1.000	0.0%
APM01	250	46	21%	4,839,123	19,356	0.896	1.210	3.327	1.576	252	48%	1.823	1.500	24.0%
CAR01	2,869	463	65%	26,422,032	9,209	1.450	1.500	1.583	1.558	5,871	100%	1.574	1.550	3.3%
CRP01	541	3	5%	93,776	173	0.150	0.150	0.030		0	0%	0.144	0.150	0.0%
CRS01	57	12 23	11%	392,391	6,884 109	2.200	2.000	1.183 0.019	2.069	420 0	62% 0%	1.957	2.000	0.0%
DEN01 DEN02	1,160 0	0	15% 0%	126,707 0	109	0.250 0.500	0.250 0.500	0.019		0	0%	0.216 0.500	0.250 0.500	0.0% 0.0%
DEN02 DEN03	68	0	0%	0	0	1.200	1.200	0.000		0	0%	1.200	1.200	0.0%
DEN04	1	0	0%	0	0	1.400	1.400	0.000		0	0%	1.400	1.400	0.0%
DER01	2,997	273	50%	8,029,027	2,679	0.650	0.600	0.460	0.519	2,781	100%	0.490	0.550	-8.3%
DER02	55	10	10%	178,484	3,245	2.322	2.300	0.558		0	0%	2.133	2.200	-4.3%
DIA01	3,770	639	77%	33,831,148	8,974	1.550	1.550	1.542	1.494	15,230	100%	1.531	1.550	0.0%
EMM01	899	136	35%	5,532,082	6,154	2.100	2.100	1.058	1.717	9,926	100%	1.483	1.900	-9.5%
FGP01	6,658	525	70%	28,285,726	4,248	0.850	0.850	0.730	0.962	12,076	100%	0.801	0.800	-5.9%
FGP02	10,680	1,369	100%	72,097,754	6,751	1.200	1.200	1.160	1.179	7,667	100%	1.160	1.180	-1.7%
FGP04	474	49	21%	3,010,839	6,352	1.450	1.450	1.092	2.157	1,267	100%	1.931	1.450	0.0%
FGP06 GAS01	1,167 3,552	181 620	41% 76%	10,030,932 24,015,678	8,595 6,761	1.900 1.250	1.800 1.200	1.477 1.162	1.534 1.413	4,330 5,750	100% 100%	1.511 1.223	1.650 1.200	-8.3%
GEM01	3,332	17	13%	24,013,678 841,667	5,070	0.700	0.700	0.871	0.243	259	49%	0.498	0.700	0.0%
GES01	4,742	1,542	100%	108,860,619	22,957	3.900	3.900	3.945	4.022	20,061	100%	3.945	3.900	0.0%
GES02	74	31	17%	2,358,711	31,874	3.900	5.000	5.478	5.135	4,371	100%	5.193	5.000	0.0%
GYN01	1,525	284	51%	20,559,311	13,482	1.850	2.000	2.317	1.745	3,781	100%	2.038	2.000	0.0%
GYN02	514	104	31%	3,633,622	7,069	2.825	2.800	1.215		0	0%	2.309	2.700	-3.6%
HAF01	486	104	31%	3,433,310	7,064	1.400	1.350	1.214	1.479	577	73%	1.397	1.400	3.7%
INT01	21,285	2,396	100%	123,846,006	5,818	1.000	1.000	1.000	1.000	28,566	100%	1.000	1.000	0.0%
INTSB	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	0.880	0.850	#VALUE!	0.935	1,083	100%	#VALUE!	0.800	-5.9%
NEO01 NEU01	590 2,134	52 321	22% 54%	5,142,828 18,325,423	8,717 8,587	1.400 1.300	1.400 1.425	1.498 1.476	1.397 1.503	272 4,482	50% 100%	1.420 1.488	1.400 1.480	0.0%
NSU01 (1)		959	94%	78,912,132	40,200	6.200	6.409	6.909	6.361	5,817	100%	6.877	6.440	3.9% 0.5%
NUC01	243	13	11%	539,071	2,218	0.460	0.450	0.381	0.424	85	28%	0.435	0.425	-5.6%
OBG01	7,388	1,854	100%	150,147,033	20,323	3.800	3.600	3.493	4.272	22,367	100%	3.493	3.600	0.0%
OCM01	1,020	53	22%	2,302,849	2,258	0.350	0.300	0.388	0.369	365	58%	0.360	0.350	16.7%
OPH01	162	9	9%	543,005	3,352	0.350	0.350	0.576	0.421	162	39%	0.398	0.350	0.0%
OPH02	438	13	11%	894,612	2,042	0.700	0.700	0.351	1.143	75	26%	0.778	0.700	0.0%
OPH03	2,602	416	62%	15,477,533	5,948	1.100	1.100	1.022	1.084	6,591	100%	1.046	1.050	-4.5%
ORT01	9,778	2,857	100%	165,620,453	16,938	3.300	2.950	2.911	3.153	17,299	100%	2.911	2.950	0.0%
ORT02 OTO01	386 1,723	84 219	28% 45%	5,978,985 17,708,051	15,490 10,277	3.300	3.393	2.662 1.766	4.247 1.594	1,811	100% 100%	3.806 1.672	3.500 1.675	3.2%
OTO02	1,723	219	43% 52%	14,622,293	11,587	1.650 2.000	1.675 2.000	1.700	2.236	2,553 2,524	100%	2.107	2.000	0.0%
PAT01	16,888	873	90%	75,292,259	4,458	0.800	0.800	0.766	0.925	2,324	100%	0.782	0.800	0.0%
PED01	6,575	344	56%	28,557,448	4,343	0.820	0.800	0.746	0.675	6,207	100%	0.715	0.750	-6.3%
PLA01	9,901	3,033	100%	139,556,879	14,095	2.900	2.650	2.423	2.869	7,611	100%	2.423	2.550	-3.8%
POD01	333	35	18%	697,859	2,096	0.684	0.650	0.360	1.068	719	81%	0.938	0.700	7.7%
PMR01	1,895	164	39%	6,601,464	3,484	0.630	0.600	0.599	0.642	1,541	100%	0.625	0.625	4.2%
PMR02	381	31	17%	897,719	2,356	0.790	0.800	0.405		0	0%	0.733	0.800	0.0%
PMR03	336	35	18%	840,369	2,501	1.320	1.400	0.430	1.786	1,340	100%	1.542	1.400	0.0%
PSY01	13,862	617	75%	38,014,760	2,742	0.450	0.450	0.471	0.494	3,534	100%	0.477	0.475	5.6%
PUL01 SUR01	2,486 1,942	424	63% 49%	15,170,030 14,700,448	6,102 7,570	1.250 1.300	1.200	1.049 1.301	1.391 2.062	3,064 386	100%	1.177 1.688	1.200 1.350	0.0%
THE01	1,942	261 34	18%	1,534,694	2,528	1.300	1.350 0.600	0.435	0.672	465	60% 66%	0.618	0.575	-4.2%
THO01 (2)		718	81%	44,148,811	20,242	3.300	3.500	3.479	3.911	8,865	100%	3.559	3.500	0.0%
URO01	1,824	315	54%	17,333,079	9,503	1.850	1.650	1.633	1.769	5,333	100%	1.696	1.650	0.0%
TOTALS	#VALUE!	#VALUE!		#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#VALUE!	239,833		#VALUE!	#VALUE!	#VALUE!

Notes: (1) The selected relativity shown for Neurosurgery reflects a weighted average of the selected California relativity (6.000, 0.0%) and the nationwide ex-California relativity (6.800, +0.7%). See details on Exhibit 16, Page 4.

<sup>(2)</sup> Includes TDC Redding claim experience.

# THE DOCTORS COMPANY 2009 SPECIALTY RELATIVITY ANALYSIS NATIONWIDE \$250k to \$1M LIMIT - 1995-2006 (Evaluated at 12/31/2008)

(16)	(17)	(18)	(19)	(20)	(21)	(22)	(23)	(24)	(25)	(26)
				to \$1M LIM						
	\$1M Limit	TDC	TDC	TDC	TDC	TDC	PIAA	Credibility	TDC	
	CA B Equiv	\$1M Limit	\$1M Limit	2002	2006	Indicated	Industry	Weighted	Selected	Selected
Specialty Note	Exposure	Loss	Pure Prem	Factor	Factor	Factor	Factor	Factor	Factor	Change
			(18)/(17)			[(19) / (6)] / [(19)INT01 / (6)INT01]		[(4) x (22)] + [(12) x (23)] [(1-(4)- (12))*(21)]		(25) / (21) - 1.00
ADM01	331	140,701	425	1.000	1.000	0.743	1.039	0.987	1.000	0.0%
ALI01	1,582	2,045,072	1,293	1.000	1.000	0.855	1.010	0.983	1.000	0.0%
ANE01	31,754	274,497,688	8,645	1.075	1.100	1.138	1.229	1.138	1.100	0.0%
APM01	307	10,445,605	34,025	1.100	1.099	1.301	1.087	1.135	1.100	0.1%
CAR01	3,502	41,853,387	11,951	0.950	1.000	0.961	1.047	0.991	1.000	0.0%
CRP01	757	105,726	140	1.000	1.000	0.597		0.979	1.000	0.0%
CRS01	61	460,511	7,549	1.000	1.000	0.812	1.148	1.072	1.000	0.0%
DEN01	1,257	152,838	122	0.800	0.800	0.824		0.804	0.800	0.0%
DEN02	0	0		0.800	0.800	0.000		0.800	0.800	0.0%
DEN03	78	0	0	1.000	1.000	0.000		1.000	1.000	0.0%
DEN04	2	0	0	1.000	1.000	0.000		1.000	1.000	0.0%
DER01	3,526	13,358,510	3,789	1.000	1.000	1.047	1.044	1.046	1.000	0.0%
DER02	60	209,302	3,488	1.000	1.000	0.796		0.980	1.000	0.0%
DIA01	4,559	55,945,078	12,271	0.950	0.948	1.012	1.069	1.026	1.000	5.4%
EMM01	1,157	9,286,527	8,026	1.000	1.000	0.966	1.050	1.020	1.000	0.0%
FGP01	8,652	44,243,750	5,114	0.900	0.953	0.891	1.064	0.944	0.950	-0.3%
FGP02	12,359	111,834,803	9,049	0.900	0.950	0.992	1.089	0.992	1.000	5.3%
FGP04	553	3,644,012	6,590	1.000	1.000	0.768	1.297	1.000	1.000	0.0%
FGP06	1,391	19,223,626	13,820	1.050	1.100	1.190	1.145	1.163	1.120	1.8%
GAS01	4,199	36,586,195	8,713	0.950	0.950	0.954	1.065	0.981	0.950	0.0%
GEM01 GES01	189 5,693	1,397,504	7,394	1.000 1.000	1.000 0.950	1.080 0.967	1.002 1.088	1.011 0.967	1.000 0.950	0.0% 0.0%
GES02	3,093	170,685,084 4,930,359	29,982 57,330	1.000	1.000	1.332	1.348	1.345	1.000	0.0%
GES02 GYN01	1,883	38,366,438	20,375	1.050	1.050	1.119	1.124	1.121	1.100	4.8%
GYN02	585	5,263,202	8,997	1.050	1.117	0.942	1.124	1.063	1.150	3.0%
HAF01	592	4,395,464	7,425	0.950	0.900	0.778	0.890	0.855	0.900	0.0%
INT01	25,875	203,335,858	7,858	1.000	1.000	1.000	1.000	1.000	1.000	0.0%
INTSB	#VALUE!	#VALUE!	#VALUE!	1.000	1.000	#VALUE!	1.001	#VALUE!	1.000	0.0%
NEO01	773	9,650,707	12,485	1.000	1.000	1.060	1.224	1.126	1.000	0.0%
NEU01	2,542	25,564,549	10,057	1.000	1.000	0.867	1.114	0.980	1.000	0.0%
NSU01	2,341	148,293,877	63,346	1.050	1.125	1.167	1.206	1.169	1.110	-1.3%
NUC01	301	1,786,180	5,934	1.000	1.000	1.981	1.227	1.171	1.100	10.0%
OBG01	9,028	293,000,400	32,455	1.150	1.200	1.182	1.259	1.182	1.200	0.0%
OCM01	1,243	2,971,949	2,391	1.000	1.000	0.784	0.834	0.856	0.900	-10.0%
OPH01	201	621,627	3,093	0.900	0.857	0.683	1.400	1.051	0.900	5.0%
OPH02	540	1,011,714	1,874	0.900	0.850	0.679	0.981	0.866	0.900	5.9%
OPH03	3,014	20,924,756	6,943	0.900	0.850	0.864	0.977	0.907	0.900	5.9%
ORT01	12,182	256,125,684	21,025	0.900	0.900	0.919	0.993	0.919	0.900	0.0%
ORT02	493	9,729,745	19,736		0.900	0.943	1.064	0.982	0.900	0.0%
OTO01	2,134	34,165,014	16,010	1.000	1.051	1.153	1.159	1.157	1.100	4.7%
OTO02	1,497	26,815,787	17,913	1.000	1.050	1.145	1.051	1.100	1.050	0.0%
PAT01	22,637	146,109,442	6,454	1.250	1.150	1.072	1.272	1.092	1.100	-4.3%
PED01	7,940	60,208,228	7,583	1.150	1.250	1.293	1.160	1.235	1.250	0.0%
PLA01	12,423	204,726,734	16,480	0.800	0.834	0.866	0.912	0.866	0.850	1.9%
POD01	400	823,111	2,058	1.000	1.000	0.727	0.857	0.834	0.950	-5.0%
PMR01	2,373	9,811,821	4,135	1.000	1.000	0.879	1.022	0.966	1.000	0.0%
PMR02	451	993,232	2,202	1.000	1.000	0.692		0.948	1.000	0.0%
PMR03	422	1,649,072	3,908	1.000	0.950	1.157	1.191	1.185	1.000	5.3%
PSY01	17,125	51,325,705	2,997	0.800	0.844	0.809	0.900	0.832	0.840	-0.5%
PUL01	3,006	23,051,106	7,668	1.000	1.000	0.930	1.048	0.975	1.000	0.0%
SUR01	2,242	23,219,774	10,357	1.100	1.052	1.013	1.245	1.131	1.050	-0.2%
THE01	733	3,462,595	4,724	1.000	1.000	1.383	1.249	1.231	1.100	10.0%
THO01 (1)	2,648	80,669,794	30,464	1.000	1.000	1.114	1.034	1.099	1.050	5.0%
URO01	2,142	28,032,817	13,087	0.900	0.952	1.020	1.056	1.036	1.000	5.1%
TOTALS	#VALUE!	#VALUE!	#VALUE!	#VALUE!	#######	#VALUE!	########	#VALUE!	#VALUE!	#VALUE!

Notes: (1) Includes TDC Redding claim experience.

#### THE DOCTORS COMPANY 2009 SPECIALTY RELATIVITY ANALYSIS NATIONWIDE \$1M LIMIT - 1995-2006 (Evaluated at 12/31/2008)

(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)				
SIM LIMIT RELATIVITIES											
	TDC	TDC	TDC	PIAA \$1M	Credibility	TDC					
	2002	2006	Indicated	Industry	Weighted	Selected	Selected				
Specialty Not	e Relativity	Relativity	Relativity	Relativity	Relativity	Relativity	Change				

			(19)/		[(4) x (30)] + [(12) x (31)] + [(1-		
			(19)INT01		(4)-(12))*(29)]		(33) / (29) - 1.00
ADM01	0.300	0.325	0.054	0.199	0.258	0.300	-7.7%
ALI01	0.365	0.350	0.165	0.230	0.266	0.325	-7.1%
ANE01	1.070	1.100	1.100	1.262	1.100	1.100	0.0%
APM01	0.986	1.330	4.330	1.713	2.133	1.650	24.1%
CAR01	1.378	1.500	1.521	1.631	1.559	1.550	3.3%
CRP01	0.150	0.150	0.018		0.143	0.150	0.0%
CRS01	2.200	2.000	0.961	2.374	2.124	2.000	0.0%
DEN01	0.200	0.200	0.015		0.173	0.200	0.0%
DEN02	0.400	0.400			0.400	0.400	0.0%
DEN03	1.200	1.200	0.000		1.200	1.200	0.0%
DEN04	1.400	1.400	0.000		1.400	1.400	0.0%
DER01	0.650	0.600	0.482	0.542	0.512	0.550	-8.3%
DER02	2.322	2.300	0.444		2.122	2.200	-4.3%
DIA01	1.473	1.470	1.562	1.597	1.570	1.550	5.4%
EMM01	2.100	2.100	1.021	1.803	1.526	1.900	-9.5%
FGP01	0.765	0.810	0.651	1.024	0.764	0.760	-6.2%
FGP02	1.080	1.140	1.151	1.284	1.151	1.180	3.5%
FGP04	1.450	1.450	0.839	2.797	2.381	1.450	0.0%
FGP06	1.995	1.980	1.759	1.755	1.757	1.848	-6.7%
GAS01	1.188	1.140	1.109	1.505	1.205	1.140	0.0%
GEM01	0.700	0.700	0.941	0.244	0.507	0.700	0.0%
GES01	3.900	3.705	3.815	4.377	3.815	3.705	0.0%
GES02	0.000	5.000	7.295	6.919	6.983	5.000	0.0%
GYN01	1.943	2.100	2.593	1.960	2.284	2.200	4.8%
GYN02	0.000	3.150	1.145		2.529	3.105	-1.4%
HAF01	1.330	1.215	0.945	1.316	1.201	1.260	3.7%
INT01	1.000	1.000	1.000	1.000	1.000	1.000	0.0%
	1.000	1.000	1.000	1.000	1.000		
INTSB	0.880	0.850	#VALUE!	0.935	#VALUE!	0.800	-5.9%
INTSB NEO01							
	0.880	0.850	#VALUE!	0.935	#VALUE!	0.800	-5.9%
NEO01 NEU01	0.880 1.400	0.850 1.400	#VALUE! 1.589	0.935 1.710	#VALUE! 1.597	0.800 1.400	-5.9% 0.0%
NEO01 NEU01	0.880 1.400 1.300	0.850 1.400 1.425	#VALUE! 1.589 1.280	0.935 1.710 1.676	#VALUE! 1.597 1.460	0.800 1.400 1.480	-5.9% 0.0% 3.9%
NEO01 NEU01 NSU01 (	0.880 1.400 1.300 (1) 6.510	0.850 1.400 1.425 7.208	#VALUE! 1.589 1.280 8.061	0.935 1.710 1.676 7.671	#VALUE! 1.597 1.460 8.038	0.800 1.400 1.480 7.150	-5.9% 0.0% 3.9% -0.8%
NEO01 NEU01 NSU01 ( NUC01	0.880 1.400 1.300 (1) 6.510 0.460	0.850 1.400 1.425 7.208 0.450	#VALUE! 1.589 1.280 8.061 0.755	0.935 1.710 1.676 7.671 0.521	#VALUE! 1.597 1.460 8.038 0.503	0.800 1.400 1.480 7.150 0.468	-5.9% 0.0% 3.9% -0.8% 3.9%
NEO01 NEU01 NSU01 ( NUC01 OBG01	0.880 1.400 1.300 (1) 6.510 0.460 4.370	0.850 1.400 1.425 7.208 0.450 4.320	#VALUE! 1.589 1.280 8.061 0.755 4.130	0.935 1.710 1.676 7.671 0.521 5.381	#VALUE! 1.597 1.460 8.038 0.503 4.130	0.800 1.400 1.480 7.150 0.468 4.320	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0%
NEU01 NSU01 ( NUC01 OBG01 OCM01	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350	0.850 1.400 1.425 7.208 0.450 4.320 0.300	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304	0.935 1.710 1.676 7.671 0.521 5.381 0.308	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306	0.800 1.400 1.480 7.150 0.468 4.320 0.315	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0%
NEO01 NEU01 NSU01 (NUC01 OBG01 OCM01 OPH01 OPH02 OPH03	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990	0.850 1.400 1.425 7.208 0.450 4.320 0.300	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9%
NEO01 NEU01 NSU01 (NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01	0.880 1.400 1.300 1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.300 0.595 0.935 2.655	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1%
NEO01 NEU01 NSU01 ( NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3%
NEO01 NEU01 NSU01 (NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 5.9% 1.1% 0.0% 3.3% 4.5%
NEO01 NEU01 NSU01 (NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 2.100	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3% 4.5%
NEO01 NEU01 NSU01 NSU01 NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO02 PAT01	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.300 0.595 0.935 2.655 3.050 1.760 2.100	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.6655 3.150 1.840 0.880	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 1.1% 0.0% 3.3% 4.5% 0.0% -4.3%
NEO01 NEU01 NSU01 NSU01 NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01	0.880 1.400 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.300 0.595 2.655 3.050 1.760 2.100 0.920	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 1.1% 0.0% 3.3% 4.5% 0.0% -4.3% -6.3%
NEO01 NEU01 NSU01 NSU01 NUC01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01	0.880 1.400 1.300 1.300 1.06.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943 2.320	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3% 4.5% 0.0% -4.3% -6.3% -1.8%
NEO01 NEU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01	0.880 1.400 1.300 1.300 1.0 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 1.650 2.000 1.000 0.943 2.320 0.684	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 0.920 0.920	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262	0.935 1.710 1.676 7.671 0.521 5.381 0.308 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 1.933 2.313 0.858 0.886 2.097 0.796	0.800 1.400 1.480 7.150 0.468 4.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.665	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3% 4.5% 0.0% -4.3% -6.3% -1.8% 2.3%
NEO01 NEU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01	0.880 1.400 1.300 1.300 1.0 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.650	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 1.933 2.313 0.858 0.886 2.097 0.796 0.605	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 0.988 0.938 2.170 0.665	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 4.5% -6.3% -6.3% -1.8% 2.3%
NEO01 NEU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR02	0.880 1.400 1.300 1.300 1.0 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.220 1.000 2.210 0.650 0.800	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.665 0.625 0.800	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 1.1% 0.0% 4.5% 0.0% -4.3% -1.8% 2.3% 4.2% 0.0%
NEO01 NEU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR02 PMR03	0.880 1.400 1.300 1.300 1.0460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790 1.320	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.650 0.600 0.800 1.330	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280 0.497	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712 1.835	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.665 0.625 0.800 1.400	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 0.0% 4.5% 0.0% -4.3% -6.3% -1.8% 2.3% 4.2% 0.0% 5.3%
NEO01 NEU01 NSU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR02 PMR03 PSY01	0.880 1.400 1.300 1.300 1.0 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790 1.320 0.360	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.505 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.650 0.600 0.800 1.330 0.380	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280 0.497 0.381	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915 0.655	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712 1.835 0.397	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.6652 0.800 1.400 0.400	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 0.0% 4.5% 0.0% -4.3% -6.3% 4.2% 0.0% 5.3% 5.3%
NEO01 NEU01 NSU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR02 PMR03 PSY01 PUL01	0.880 1.400 1.300 1.300 (1) 6.510 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790 1.320 0.360 1.250	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.6500 0.800 1.330 0.380 1.200	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280 0.497 0.381 0.976	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915 0.655 2.128 0.445 1.458	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712 1.835 0.397 1.156	0.800 1.400 1.480 7.150 0.468 4.320 0.315 0.320 0.632 1.840 2.100 0.880 0.938 2.170 0.6625 0.800 1.400 0.400 1.200	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 1.1% 0.0% 4.5% 0.0% -4.3% -6.3% -1.8% 4.2% 0.0% 5.3% 5.3% 0.0%
NEO01 NEU01 NSU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR01 PMR02 PMR03 PSY01 PUL01 SUR01	0.880 1.400 1.300 1.300 1.300 0.460 4.370 0.350 0.315 0.630 0.990 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790 1.320 0.360 1.250 1.430	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.650 0.600 0.800 1.330 0.380 1.200	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280 0.497 0.381 0.976 1.318	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915 0.655	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712 1.835 0.397 1.156	0.800 1.400 1.480 7.150 0.468 4.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.665 0.625 0.800 1.400 0.400 1.200	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3% -4.3% -4.3% -1.8% 2.3% 4.2% 0.0% 5.3% 5.3% 0.0%
NEO01 NEU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR02 PMR03 PSY01 PUL01 SUR01 THE01	0.880 1.400 1.300 1.300 1.300 0.460 4.370 0.350 0.315 0.630 0.990 2.970 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790 1.320 0.360 1.250 1.430 1.250	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.650 0.600 0.800 1.330 0.380 1.200 1.420 0.600	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280 0.497 0.381 0.976 1.318 0.601	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915 0.655 2.128 0.445 1.458 2.567 0.839	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712 1.835 0.397 1.156 1.954 0.757	0.800 1.400 1.480 7.150 0.468 4.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.665 0.625 0.800 1.400 0.400 0.1200 0.633	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3% 4.5% -6.3% -1.8% 2.3% 4.2% 0.0% 5.3% 5.3% 0.0% 5.4%
NEO01 NEU01 NSU01 NSU01 NSU01 OBG01 OCM01 OPH02 OPH03 ORT01 ORT02 OTO01 OTO02 PAT01 PED01 PLA01 POD01 PMR01 PMR02 PMR03 PSY01 PUL01 SUR01 THE01	0.880 1.400 1.300 1.300 1.300 0.460 4.370 0.350 0.315 0.630 0.990 2.970 1.650 2.000 1.000 0.943 2.320 0.684 0.630 0.790 1.320 0.360 1.250 1.430	0.850 1.400 1.425 7.208 0.450 4.320 0.300 0.595 0.935 2.655 3.050 1.760 2.100 0.920 1.000 2.210 0.650 0.600 0.800 1.330 0.380 1.200	#VALUE! 1.589 1.280 8.061 0.755 4.130 0.304 0.394 0.238 0.883 2.675 2.511 2.037 2.279 0.821 0.965 2.097 0.262 0.526 0.280 0.497 0.381 0.976 1.318	0.935 1.710 1.676 7.671 0.521 5.381 0.308 0.589 1.122 1.059 3.132 4.519 1.848 2.350 1.177 0.783 2.618 0.915 0.655	#VALUE! 1.597 1.460 8.038 0.503 4.130 0.306 0.420 0.694 0.950 2.675 3.784 1.933 2.313 0.858 0.886 2.097 0.796 0.605 0.712 1.835 0.397 1.156	0.800 1.400 1.480 7.150 0.468 4.320 0.630 0.945 2.655 3.150 1.840 2.100 0.880 0.938 2.170 0.665 0.625 0.800 1.400 0.400 1.200	-5.9% 0.0% 3.9% -0.8% 3.9% 0.0% 5.0% 6.7% 5.9% 1.1% 0.0% 3.3% -4.3% -4.3% -1.8% 2.3% 4.2% 0.0% 5.3% 5.3% 0.0%

TOTALS #VALUE! #VALUE! #VALUE! #VALUE! #VALUE! #VALUE! #VALUE!

Notes: (1) The selected relativity shown for Neurosurgery reflects a weighted average of the selected California relativity (6.300, 0.0%) and the nationwide ex-California relativity (7.820, +0.7%). See details on Exhibit 16, Page 4.

(2) Includes TDC Redding claim experience.

#### THE DOCTORS COMPANY 2009 SPECIALTY RELATIVITY ANALYSIS NEUROSURGERY 1987-2006

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)
						\$250k	LIMITS RELA	TIVITIES						
	TDC Base	TDC	TDC	TDC	TDC	TDC	TDC	TDC	PIAA	PIAA	PIAA	Credibility	TDC	
	Class/Terr	Allocated	Data	\$250k Limit	\$250k Limit	2002	2006	Indicated	Industry	Estimated	Data	Weighted	Selected	Selected
Specialty	Exposure	Claims	Credibility	Loss	Pure Prem	Relativity	Relativity	Relativity	Relativity	Claims	Credibility	Relativity	Relativity	Change
			SQRT((3)/											
			1083)		(5) / (2)			(6) / (6)INT01		S	QRT((11) / 1083)	x (8)]		(14) / (8) - 1.00
INT01	9,970	1,678	100%	62,075,400	6,226	1.000	1.000	1.000	1.000	28,566	100%	1.000	1.000	0.0%
NSU01	885	592	74%	27,221,584	30,759	6.200	6.000	4.940	6.361	5,817	100%	5.311	6.000	0.0%
INT01	11.196	718	81%	61.770.606	5.517	1.000	1.000	1.000	1.000	28.566	100%	1.000	1.000	0.0%
NSU01	1,063	367	58%	51,690,548	48,627	6.200	6.750	8.814	6.361	5,817	100%	7.789		0.7%
(16)	(17)	(18)	(10)	(18)	(10)	(20)	(21)	(22)	(23)	(24)	(25)	(26)		
(10)	(17)	(10)	(17)	(10)	(1)	(20)				(47)	(43)	(20)		
					\$2501-	to \$1M LIMIT	. ,	(==)	(=+)	. /		` ′	i	
	\$1M Limit	TDC	TDC	TDC		to \$1M LIMIT	FACTORS			, ,	, ,		1	
	\$1M Limit	TDC Allocated	TDC Data	TDC \$1M Limit	TDC	TDC	T FACTORS TDC	TDC	PIAA	Credibility	TDC			
Specialty	CA B Equiv	TDC Allocated Claims	TDC Data Credibility	\$1M Limit	TDC \$1M Limit	TDC 2002	TFACTORS TDC 2006			, ,	TDC Selected	Selected		
Specialty		Allocated	Data		TDC	TDC	T FACTORS TDC	TDC Indicated	PIAA Industry	Credibility Weighted	TDC			
	CA B Equiv Exposure	Allocated Claims	Data Credibility SQRT((3) / 1083)	\$1M Limit Loss	TDC \$1M Limit Pure Prem	TDC 2002 Factor	TFACTORS TDC 2006 Factor	TDC Indicated Factor [(19)INT01 / (6)INT01]	PIAA Industry Factor	Credibility Weighted Factor x (23)] [(1-(4)-(12))*(21)]	TDC Selected Factor	Selected Change (25)/(21) - 1.00		
INT01	CA B Equiv Exposure	Allocated Claims	Data Credibility SQRT((3)/ 1083) 100%	\$1M Limit Loss <b>91,479,013</b>	TDC \$1M Limit Pure Prem (18)/(17) 9,229	TDC 2002 Factor	TFACTORS TDC 2006 Factor 1.000	TDC Indicated Factor [(19)INT01 / (6)INT01] 1.000	PIAA Industry Factor	Credibility Weighted Factor x (23)] [(1-(4)-(12))*(21)] 1.000	TDC Selected Factor	Selected Change (25)/(21) - 1.00 <b>0.0%</b>		
	CA B Equiv Exposure	Allocated Claims	Data Credibility SQRT((3)/ 1083) 100%	\$1M Limit Loss	TDC \$1M Limit Pure Prem	TDC 2002 Factor	TFACTORS TDC 2006 Factor	TDC Indicated Factor [(19)INT01 / (6)INT01]	PIAA Industry Factor	Credibility Weighted Factor x (23)] [(1-(4)-(12))*(21)]	TDC Selected Factor	Selected Change (25)/(21) - 1.00 <b>0.0%</b>		
	Specialty  INT01 NSU01 INT01	TDC Base   Class/Terr     Specialty   Exposure	TDC Base   Class/Terr   Allocated   Claims	TDC Base   TDC   Data	TDC Base   Class/Terr   Allocated   Data   \$250k Limit   Loss	TDC Base   Class/Terr   Allocated   Data   \$250k Limit   \$250k Limit   Pure Prem	TDC Base   TDC   TDC	TDC Base	TDC Base   TDC   TDC	TDC Base   TDC   TDC	TDC Base	TDC Base   TDC   TDC	TDC Base   TDC   TDC	TDC Base   TDC   TDC

	(27)	(28)	(29)	(30)	(31)	(32)	(33)	(34)
				SIM LIMIT				
		TDC	TDC	TDC	PIAA	Credibility	TDC	
		2002	2006	Indicated	Industry	Weighted	Selected	Selected
	Specialty	Relativity	Relativity	Relativity	Relativity	Relativity	Relativity	Change
						[(12) x (31)] +		
				(19) / (19)INT01		[(1-(4)-		(33) / (29) - 1.00
California	INT01	1.000	1.000	1.000	1.000	1.000	1.000	0.0%
	NSU01	6.510	6.300	5.261	7.671	5.889	6.300	0.0%
Nationwide	INT01	1.000	1.000	1.000	1.000	1.000_	1.000	0.0%
ex-California	NSU01	6.510	7.760	10.331	7.671	9.219	7.820	0.7%

58%

105,514,555

72,769

1.050

1.150

1.172

1.206

1.186

1.150

0.0%

ex-California NSU01

1,450

367

#### The Doctors Company 2008 Ancillary Specialty Relativity Analysis Nationwide \$250k Limit - 1985-2006

Anc	illary Indicated Rate Change Calculation	Separate	Shared	Total	Notes
(a)	Base Specialties CA-B Average ELR:	56%	57%	57%	From 4Q07 Rate Adequacy.
(b)	Base Specialties CA-B Average 1M/3M Manual Rate:	15,788	12,412	13,908	From TDC CA Rates and Rules
(c)	California 250k to 1M ILF:	1.396	1.396	1.396	From Actuarial Size-of-Loss Study
(d)	Base Specialties Average 250k Pure Premium:	6,361	5,042	5,629	(a) x (b) / (c)
(e)	Ancillary 250k Pure Premium:	568	559	563	Col (5) Totals
(f)	Indicated Ancillary Relativity:	0.089	0.111	0.100	(e) / (d)
(g)	Current Average Relativity:	0.176	0.145	0.159	Col (8) Totals
(h)	Credibility:	39%	42%	57%	SQRT((3) / 663)
(i)	Indicated Ancillary Rate Change:	-19%	-10%	-21%	$\{[(f)/(g)] - 1.0\} x (h)$
(j)	Indicated Ancillary Rate Change (Full Credibility):	-49%	-23%	-37%	[(f) / (g)] - 1.0

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	CA-B							2008	
	Equivalent	Allocated		Pure		or Relativities		Selected	Selected
Specialty	Exposure	Claims	Loss	Premium	2000	2002	2006	Relativity	Change
				(4) / (2)					(9) / (8) - 1.0
ANE02-Sep	2,016	34	1,187,841	589	0.294	0.250	0.190	0.150	-21%
ANE03-Sep	33	1	25	1	0.515	0.450	0.340	0.270	-21%
ANE04-Shr	929	3	5,835	6	0.221	0.188	0.143	0.113	-21%
ANE05-Shr	38	3	529,063	13,923	0.386	0.338	0.255	0.203	-21%
CNM01-Sep	100	4	462,767	4,628	0.184	0.150	0.110	0.087	-21%
CNM01-Sep CNM02-Sep	97	4	938,536	9,676	0.164	0.130	0.110	0.175	-21%
CNM03-Shr	106	3	10,965	103	0.308	0.300	0.220	0.065	-20%
CNM04-Shr	40	0	10,903	0	0.136	0.113	0.065	0.131	-21%
CIVIVIO4-SIII	40	U	U	U	0.270	0.223	0.103	0.131	-20%
OPT01-Sep	107	1	155,366	1,452	0.160	0.160	0.120	0.095	-21%
OPT02-Shr	71	0	0	0	0.120	0.120	0.090	0.071	-21%
PHA01-Sep	1,117	38	635,807	569	0.294	0.250	0.190	0.150	-21%
PHA02-Shr	3,479	80	1,908,051	548	0.221	0.188	0.143	0.113	-21%
NUR01-Sep	764	16	459,111	601	0.294	0.250	0.190	0.150	-21%
NUR02-Shr	2,700	24	236,823	88	0.221	0.188	0.143	0.113	-21%
SRA01-Sep	0	0	0		0.250	0.250	0.190	0.150	-21%
SRA02-Shr	1	0	0	0	0.188	0.188	0.143	0.113	-21%
	_	-							
							0.4=4	0.120	
Sub-Tot(Sep)	5,139	99	2,917,692	568	0.273	0.232	0.176	0.139	-21%
Sub-Tot(Shr)	6,459	117	3,612,498	559	0.225	0.191	0.145	0.114	-21%
Total	11,598	216	6,530,190	563	0.246	0.209	0.159	0.125	-21%
	,		, ,,,,,						

#### The Doctors Company 2011 California State Rate Review \$250K Limit Territory Relativity Analysis

Base Territory: B

Territory	$\boldsymbol{A}$		Developed			\$250K Limit		\$250K Limit	\$250K Limit	Base
Current Terri	tory A		Trended		\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure
1998	486	129	8,771,439	0.265	67,996	18,048	1.353	1.736	2.349	729
1999	436	88	5,367,435	0.202	60,994	12,311	1.061	1.191	1.264	654
2000	363	71	3,571,818	0.196	50,307	9,840	1.032	1.034	1.068	545
2001	358	69	4,826,584	0.193	69,950	13,482	1.088	1.451	1.578	537
2002	423	92	5,348,212	0.217	58,133	12,644	1.248	1.199	1.497	635
2003	366	115	7,746,887	0.314	67,364	21,166	1.711	1.656	2.833	549
2004	451	105	4,764,560	0.233	45,377	10,564	1.559	0.996	1.552	677
2005	546	82	6,074,570	0.150	74,080	11,126	1.352	1.582	2.139	819
2006	597	81	6,165,540	0.136	76,118	10,328	1.187	1.683	1.998	896
2007	635	94	5,327,300	0.148	56,673	8,389	1.352	1.110	1.501	953
2008	676	90	5,477,264	0.133	60,858	8,102	1.238	1.061	1.313	1,014
2009	1,083	120	8,362,282	0.111	69,686	7,721	1.114	1.356	1.511	1,625
2010	1,135	125	7,335,336	0.110	58,683	6,463	1.042	1.107	1.153	1,703
'98-10	7,555	1,261	79,139,227	0.167	62,759	10,475	1.229	1.299	1.596	11,333
'01-'10	6,270	973	61,428,535	0.155	63,133	9,797	1.245	1.288	1.604	9,405
'04-'10	5,123	697	43,506,852	0.136	62,420	8,492	1.228	1.238	1.520	7,685
'06-'10	4,126	510	32,667,722	0.124	64,054	7,918	1.166	1.237	1.443	6,189
							SELECTE	D TERR REL:	1.500	

Territory	В		Developed			\$250K Limit		\$250K Limit	\$250K Limit	Base
Current Ter	ritory B		Trended		\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure
1998	3,613	709	27,764,733	0.196	39,160	7,685	1.000	1.000	1.000	3,613
1999	3,395	646	33,074,533	0.190	51,199	9,742	1.000	1.000	1.000	3,395
2000	3,357	636	30,935,628	0.189	48,641	9,215	1.000	1.000	1.000	3,357
2001	3,369	597	28,781,510	0.177	48,210	8,543	1.000	1.000	1.000	3,369
2002	3,507	611	29,616,559	0.174	48,472	8,445	1.000	1.000	1.000	3,507
2003	3,719	683	27,788,275	0.184	40,686	7,472	1.000	1.000	1.000	3,719
2004	4,097	612	27,894,326	0.149	45,579	6,808	1.000	1.000	1.000	4,097
2005	4,402	489	22,895,302	0.111	46,821	5,201	1.000	1.000	1.000	4,402
2006	4,541	519	23,468,756	0.114	45,219	5,168	1.000	1.000	1.000	4,541
2007	4,667	511	26,093,082	0.109	51,063	5,591	1.000	1.000	1.000	4,667
2008	4,881	525	30,118,303	0.108	57,368	6,171	1.000	1.000	1.000	4,881
2009	9,199	915	47,012,175	0.099	51,379	5,111	1.000	1.000	1.000	9,199
2010	9,572	1,012	53,661,717	0.106	53,025	5,606	1.000	1.000	1.000	9,572
'98-10	62,319	8,465	409,104,899	0.136	48,329	6,565	1.000	1.000	1.000	62,319
'01-'10	51,954	6,474	317,330,005	0.125	49,016	6,108	1.000	1.000	1.000	51,954
'04-'10	41,359	4,583	231,143,661	0.111	50,435	5,589	1.000	1.000	1.000	41,359
'06-'10	32,860	3,482	180,354,033	0.106	51,796	5,489	1.000	1.000	1.000	32,860
							SELECTE	D TERR REL:	1.000	

Territory	C		Developed			\$250K Limit		\$250K Limit	\$250K Limit	Base
Current Ter	ritory C		Trended		\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure
1998	967	139	4,635,363	0.144	33,348	4,794	0.733	0.852	0.624	822
1999	902	150	5,465,110	0.166	36,434	6,059	0.874	0.712	0.622	767
2000	888	177	7,844,858	0.199	44,321	8,834	1.052	0.911	0.959	755
2001	990	199	11,477,557	0.201	57,676	11,593	1.134	1.196	1.357	842
2002	1,077	190	7,868,164	0.176	41,411	7,306	1.013	0.854	0.865	915
2003	1,104	203	9,712,950	0.184	47,847	8,798	1.001	1.176	1.177	938
2004	1,284	141	5,670,931	0.110	40,219	4,417	0.735	0.882	0.649	1,091
2005	1,721	177	8,783,471	0.103	49,624	5,104	0.926	1.060	0.981	1,463
2006	1,830	238	14,826,861	0.130	62,298	8,102	1.138	1.378	1.568	1,556
2007	1,886	197	8,530,526	0.104	43,302	4,523	0.954	0.848	0.809	1,603
2008	1,966	191	11,533,907	0.097	60,387	5,867	0.903	1.053	0.951	1,671
2009	2,953	282	13,079,282	0.095	46,380	4,429	0.960	0.903	0.867	2,510
2010	2,995	261	13,695,836	0.087	52,474	4,573	0.824	0.990	0.816	2,546
'98-10	20,563	2,545	123,124,816	0.124	48,379	5,988	0.911	1.001	0.912	17,479
'01-'10	17,806	2,079	105,179,485	0.117	50,591	5,907	0.937	1.032	0.967	15,135
'04-'10	14,635	1,487	76,120,814	0.102	51,191	5,201	0.917	1.015	0.931	12,440
'06-'10	11,630	1,169	61,666,412	0.101	52,751	5,302	0.949	1.018	0.966	9,886
							SELECTE	D TERR REL:	0.850	

#### The Doctors Company 2011 California State Rate Review \$250K Limit Territory Relativity Analysis

Base Territory: B

Territory	D		Developed			\$250K Limit		\$250K Limit	\$250K Limit	Base
Current Teri	ritory D		Trended		\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure
1998	2,424	259	11,277,505	0.107	43,542	4,652	0.544	1.112	0.605	1,333
1999	2,386	261	13,097,185	0.109	50,181	5,489	0.575	0.980	0.563	1,312
2000	2,371	243	10,360,517	0.102	42,636	4,370	0.541	0.877	0.474	1,304
2001	2,530	248	11,244,330	0.098	45,340	4,444	0.553	0.940	0.520	1,392
2002	2,645	313	16,109,147	0.118	51,467	6,090	0.679	1.062	0.721	1,455
2003	2,605	269	14,605,437	0.103	54,295	5,607	0.562	1.335	0.750	1,433
2004	2,651	178	6,095,249	0.067	34,243	2,299	0.449	0.751	0.338	1,458
2005	2,777	204	8,629,114	0.073	42,300	3,107	0.661	0.903	0.597	1,527
2006	2,566	152	6,572,716	0.059	43,242	2,561	0.518	0.956	0.496	1,411
2007	2,624	193	5,874,309	0.074	30,437	2,239	0.672	0.596	0.400	1,443
2008	2,606	184	7,873,134	0.071	42,789	3,021	0.656	0.746	0.490	1,433
2009	3,833	259	12,217,188	0.068	47,171	3,187	0.679	0.918	0.624	2,108
2010	2,960	200	7,845,279	0.068	39,226	2,650	0.639	0.740	0.473	1,628
'98-10	34,978	2,963	131,801,110	0.085	44,482	3,768	0.624	0.920	0.574	19,238
'01-'10	27,797	2,200	97,065,903	0.079	44,121	3,492	0.635	0.900	0.572	15,288
'04-'10	20,017	1,370	55,106,989	0.068	40,224	2,753	0.618	0.798	0.493	11,009
'06-'10	14,589	988	40,382,626	0.068	40,873	2,768	0.639	0.789	0.504	8,024
							SELECTE	D TERR REL:	0.550	

Territory	E		Developed		•	\$250K Limit		\$250K Limit	\$250K Limit	Base
Current Terr	ritory E		Trended		\$250K Limit	Pure	Freq	Severity	Pure Prem	Territory
RY	Exposure	Claims	\$250K Lim Loss	Frequency	Severity	Premium	Relativity	Relativity	Relativity	Exposure
1998	1,411	237	9,403,567	0.168	39,677	6,664	0.856	1.013	0.867	1,058
1999	1,301	166	7,923,226	0.128	47,730	6,090	0.671	0.932	0.625	976
2000	1,315	165	8,148,607	0.125	49,385	6,197	0.662	1.015	0.672	986
2001	1,403	182	7,033,597	0.130	38,646	5,013	0.732	0.802	0.587	1,052
2002	1,528	202	9,113,523	0.132	45,116	5,964	0.759	0.931	0.706	1,146
2003	1,505	204	9,705,724	0.136	47,577	6,449	0.738	1.169	0.863	1,129
2004	1,782	156	8,485,220	0.088	54,392	4,762	0.586	1.193	0.699	1,337
2005	1,970	189	9,261,677	0.096	49,004	4,701	0.864	1.047	0.904	1,478
2006	2,081	212	10,633,974	0.102	50,160	5,110	0.891	1.109	0.989	1,561
2007	2,196	192	9,989,127	0.087	52,027	4,549	0.799	1.019	0.814	1,647
2008	2,166	193	9,340,345	0.089	48,396	4,312	0.828	0.844	0.699	1,625
2009	2,843	256	10,021,681	0.090	39,147	3,525	0.905	0.762	0.690	2,132
2010	2,908	231	11,108,020	0.079	48,087	3,820	0.751	0.907	0.681	2,181
'98-10	24,409	2,585	120,168,288	0.106	46,487	4,923	0.780	0.962	0.750	18,307
'01-'10	20,382	2,017	94,692,888	0.099	46,947	4,646	0.794	0.958	0.761	15,287
'04-'10	15,946	1,429	68,840,044	0.090	48,174	4,317	0.809	0.955	0.772	11,960
'06-'10	12,194	1,084	51,093,147	0.089	47,134	4,190	0.839	0.910	0.763	9,146
							SELECTE	D TERR REL:	0.750	

# The Doctors Company New Program

This is not a filing for a new program.

# The Doctors Company Insurer Group Filing

This is not a group filing.

# The Doctors Company Super Group - Corporate Structure Verification Exhibit

This is not a filing for the Private Passenger Auto line of insurance.

#### The Doctors Company, an Interinsurance Exchange Physicians, Surgeons and Ancillary Healthcare Providers Professional Liability

#### Exhibit 20-Rules Changes

#### • California General Rules Exception Pages CA-E-2 to CA-E-3

Claims-free discount rule has been revised in its entirety.

#### • California General Rules Exception Page CA-E-3

Prep discount rule has been revised to clarify that when the discount is applied, the claims-free, part time/quarter time and risk management discounts do <u>not</u> apply.

#### • <u>California General Rules Exception Page CA-E-3</u>

Part Time/Quarter Time discount rule has been revised to reflect that these discounts will also apply to surgical specialties that are part of medical groups of 15 or more physicians. This rule has also been revised to clarify that when these discounts are applied, the claims-free, prep and risk management discounts do <u>not</u> apply.

#### • Appendix- California General Rules Exception Pages CA-A-1 to CA-A-9

The Points Schedule for imposed surcharges has been revised. The additional surcharge for 2M/5M limit policies has been eliminated.